

**COUNTY OF SAN DIEGO
COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

**REGULAR MEETING
April 17 2025, 10:00 A.M.
AT 1600 PACIFIC HIGHWAY, SAN DIEGO, ROOM 402A
AGENDA**

Attendance by Virtual Meeting made available.

[Zoom Link](#)

Phone Option: 1-669-900-9128; Webinar ID: 827 1364 5735

- A. Call to Order
- B. Roll Call/Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) pursuant to Assembly Bill 2449 by an Oversight Board Member (*if necessary and applicable*)
- C. Pledge of Allegiance
- D. Approval of Statement of Proceedings / Minutes of January 27, 2025 Special Meeting
- E. Formation of Consent Calendar – Under this item, the Oversight Board may place action items under Section H on the consent calendar to be voted on in one motion.
- F. Public Communication Speakers: Members of the public may address the Oversight Board on subject matters within the Board’s jurisdiction, but not an item on this agenda. Comments on items on the agenda will be taken as each item comes up. Each speaker is limited to three minutes.
- G. Discussion Item(s)
 - 1. APPROVAL OF RESOLUTION OF THE SAN DIEGO COUNTYWIDE OVERSIGHTBOARD APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY REGARDING THE PROPOSED REFUNDING OF ITS \$84,710,000 SUCCESSOR AGENCY TO SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2015A

H. Action Item(s)

Supporting documentation and attachments for items listed on this agenda can be viewed online at <http://www.sdcountry.ca.gov/community/san-diego-county-oversight-board.html> or in the Health & Human Services Agency’s Financial & Support Services Division, 1255 Imperial Avenue, 6th Floor, San Diego, CA 92101.

ASSISTANCE FOR THE DISABLED:

Agendas and records are available in alternative formats upon request. Contact the Health & Human Services Agency at (619) 323-7301 with questions or to request a disability-related accommodation. Individuals requiring sign language interpreters should contact the Americans with Disabilities Coordinator at (858) 505-6521. To the extent reasonably possible, requests for accommodation or assistance should be submitted at least 24 hours in advance of the meeting so that arrangements may be made. An area in the front of the room is designated for individuals requiring the use of wheelchair or other accessible devices.

1. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY PROPOSED REFUNDING OF ITS \$84,710,000 SUCCESSOR AGENCY TO SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2015A.

I. Communications Received:

J. Future Agenda Item(s):

K. Set Future Meeting Date(s): May 15, 2025 10:00 a.m., June 2025 date to be determined, if necessary since June 19 is County holiday, July 17, 2025 10:00 a.m., August 21, 2025 10:00 a.m., September 18, 2025 10:00 a.m.

L. Adjournment

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**COUNTY OF SAN DIEGO
COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

**SPECIAL MEETING
January 27, 2025, 8:30 A.M.
AT 1600 PACIFIC HIGHWAY, SAN DIEGO, ROOM 302A**

Minutes

Attendance by Virtual Meeting made available.

[Zoom Link](#)

Phone Option: 1-669-900-9128; Meeting ID: 751 538 3893

- A. Call to Order at 8:30 a.m.
- B. Roll Call/Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) pursuant to Assembly Bill 2449 by an Oversight Board Member (*if necessary and applicable*)

PRESENT: Board Members: Brian Hagerty, Rebecca Jones, Corinne Wilson, and Samuel Merrill

ABSENT: Scott Buxbaum, Patrick Sanchez and Daniel Troy

Other Attendees: Max Endoso, Principal Admin Analyst, Charissa Japlit, Group Finance Director, Palmer Hilton, Attorney at Law

City of Imperial Beach: Kendall Levan, Special Counsel to Successor Agency and City, Larissa Patros, Finance Manager, and Lily Flyte, Finance Director

- C. Pledge of Allegiance
- D. Approval of Statement of Proceedings / Minutes of January 16, 2025

On motion of Vice-chair Jones and seconded by Member Hagerty, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved the minutes of the January 16, 2025, meeting. Oversight Board staff did a roll call vote of each OB member to indicate approval or non-approval. Motion passed.

AYES: Hagerty, Jones, Wilson, and Merrill

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- E. Formation of Consent Calendar – Under this item, the Oversight Board may place action items under Section H on the consent calendar to be voted on in one motion. **No items were placed on the consent calendar.**
- F. Public Communication Speakers: Members of the public may address the Oversight Board on subject matters within the Board’s jurisdiction, but not an item on this agenda. Comments on items on the agenda will be taken as each item comes up. Each speaker is limited to three minutes. *No comments were received by the Board or were presented at the meeting.*
- G. Discussion Item(s)
1. APPROVAL OF THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

Discussion Highlights:

- Special Counsel **Kendall Levan**, Finance Director **Lily Flyte** and Finance Manager **Larissa Patros** represented the City of Imperial Beach.
 - Focus: Addressing an oversight in prior period adjustments (PPA) and resolving a funding gap for enforceable obligations on the ROPS.
- **Key Issue:**
 - A prior period adjustment for FY 2021-22 inaccurately excluded a bond payment, creating a \$1.3 million shortfall in RPTTF (Redevelopment Property Tax Trust Fund) cash balances. Both the County and DOF agreed with the inaccuracy.
 - The city proposes a one-time loan of \$1,315,920 to the successor agency to cover bond debt service and other obligations due in May and June 2025.
- **Loan Details:**
 - Loan listed on ROPS (Line 48).
 - Terms align with Health and Safety Code Section 34173(h), permitting loans from cities to successor agencies.
 - Repayment: Loan to be repaid with RPTTF funds from the first distribution for FY 2025-26.

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H. Action Item(s)

1. Adopt the resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS

On motion of Vice-chair Jones and seconded by Member Hagerty, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE COSTS. Oversight Board staff did a roll call vote of each OB member to indicate approval or non-approval. Motion passed.

AYES: Hagerty, Jones, Wilson, and Merrill

- I. Communications Received: San Marcos Successor Agency inquired about the deadline for submitting and agenda item for Apr. 17, 2025 meeting.
- J. Future Agenda Item(s):
- K. Set Future Meeting Date(s): February 20, 2025, 10:00 a.m., March 20, 2025, 10:00 a.m., April 17, 2025, 10 a.m., May 15, 2025, 10:00 a.m.
- L. Adjournment at 8:40 a.m.

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COUNTY OF SAN DIEGO

COUNTYWIDE
REDEVELOPMENT
SUCCESSOR AGENCY
OVERSIGHT BOARD

AGENDA ITEM

COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

DATE: April 17, 2024

01

TO: Countywide Redevelopment Successor Agency Oversight Board

SUBJECT: RESOLUTION OF THE SAN DIEGO COUNTYWIDE OVERSIGHT BOARD APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY REGARDING THE PROPOSED REFUNDING OF ITS \$84,710,000 SUCCESSOR AGENCY TO SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2015A

SUMMARY:

Overview

Section 34177.5 of the California Health and Safety Code authorizes the Successor Agency to the San Marcos Redevelopment Agency (the “Successor Agency”) to issue refunding bonds for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1). The issuance of refunding bonds is subject to the approval of the Oversight Board and ultimately the review and approval of the California Department of Finance. On March 11, 2025, a resolution was submitted and adopted by the Successor Agency authorizing, among other things, the issuance of the refunding bonds for the purposes of refunding its Successor Agency to San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A (the “Prior Bonds”). A copy of the agenda packet of the Successor Agency is attached and incorporated herein.

Recommendation(s)

Adopt Resolution No. OB-2025-019 entitled, RESOLUTION OF THE SAN DIEGO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY PROPOSED REFUNDING OF ITS \$84,710,000 SUCCESSOR AGENCY TO SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2015A

Fiscal Impact

The attached Debt Service Savings Analysis Report, based on market conditions as of January 27, 2025, shows the refinancing of the Prior Bonds is projected to generate net

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present value savings of approximately \$3.54 million over the life of the indebtedness. The average annual savings are projected to be approximately \$455,694 per year beginning 2026 and continuing through the final maturity in 2034. The term of the refunding bonds is the same as the original term of the currently outstanding indebtedness and will not be extended. Any debt service savings as a result of the refunding will increase the amount of residual redevelopment tax increment revenues that can be distributed to all the taxing entities.

BACKGROUND:

California Health and Safety Code (“HSC”) section 34177.5(a)(1) authorizes successor agencies the ability to refund outstanding bonds. The issuance of refunding bonds under HSC section 34177.5, which was added to the Redevelopment Agency Dissolution Act (“RDA Dissolution Act”) by AB 1484, authorizes the Successor Agency to issue bonds for the purpose of refunding outstanding tax allocation bonds of the Redevelopment Agency or the Successor Agency to provide debt service savings provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds does not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance.

The proposed refunding of the Prior Bonds by the Successor Agency satisfies the applicable HSC sections:

(A) The total interest cost to maturity on the proposed Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A (the “Refunding Bonds”) plus the principal amount of the Refunding Bonds does not exceed the total remaining interest cost to maturity on the Prior Bonds to be refunded plus the remaining principal of the Prior Bonds to be refunded.

(B) The expected \$43,735,000.00 in principal amount of the Refunding Bonds does not exceed the amount required to defease the Prior Bonds, to establish customary debt service reserves, and to pay related costs of issuance.

The proposed refunding is structured to provide proportional annual savings and does not extend the term of the existing financing. The estimated reduced cost of debt service will allow for more funds to be made available for distribution to the taxing jurisdictions.

The proposed refunding is intended to generate interest costs savings. Any debt service savings as a result of the refunding will increase the amount of residual redevelopment tax increment revenues that can be distributed to all the taxing entities.

The bond refunding is subject to California Department of Finance (“DOF”) review and approval. It is recommended that the Oversight Board adopt the Resolution approving the issuance and sale

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of tax allocation refunding bonds and accept the Debt Service Savings Analysis. Approval of the issuance by the Oversight Board allows time for the DOF 65-day review period to begin, although the DOF review period is expected to end earlier and the refunding is expected to close in July 2025.

Respectfully submitted,



CHARISSA JAPLIT
Group Finance Director, HHSA

ATTACHMENTS:

Attachment A – Oversight Board Resolution
Attachment B – Debt Service Savings Analysis
Attachment C – Resolution of the Successor Agency
Attachment D – Indenture of Trust, together with First Supplemental
Attachment E – Draft Second Supplemental Indenture
Attachment F – Bond Purchase Agreement
Attachment G – Escrow Agreement

SUBJECT: RESOLUTION OF THE SAN DIEGO COUNTYWIDE OVERSIGHT BOARD APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY REGARDING THE PROPOSED REFUNDING OF ITS \$84,710,000 SUCCESSOR AGENCY TO SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2015A

AGENDA ITEM INFORMATION SHEET

PREVIOUS RELEVANT BOARD ACTIONS:
N/A

MANDATORY COMPLIANCE:
N/A

CONTACT PERSON(S):

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Charissa Japlit

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RESOLUTION OF THE SAN DIEGO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY PROPOSED REFUNDING OF ITS \$84,710,000 SUCCESSOR AGENCY TO SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2015A

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “Law”), the Mayor and City Council of the City of San Marcos (“City”) authorized the creation of the former San Marcos Redevelopment Agency (“RDA”); and

WHEREAS, the RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds, notes, certificates of participation, or other evidence of indebtedness for any of its corporate purposes; and

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“AB X1 26”) enacted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, consistent with the provisions of the California Health and Safety Code (“HSC”), the Mayor and City Council of the City of San Marcos serve as the governing board of the Successor Agency to the San Marcos Redevelopment Agency (“Successor Agency”); and

WHEREAS, the San Diego Countywide Oversight Board (“CWOB”) has been established pursuant to HSC Section 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, prior to the dissolution of the RDA, the RDA, among other bonds, issued its \$54,055,000 2001 Public Improvement Refunding Revenue Bonds, Series A (Civic Center/Public Works Yard) (the “Series 2001A Bonds”), its \$69,740,000 San Marcos Public Facilities Authority 2003 Tax Allocation Revenue Bonds (Project Areas No. 1, No. 2 and No. 3 Refunding and Financing Project), Series A (the “Series 2003A Bonds”) and its \$30,235,000 San Marcos Public Facilities Authority 2005 Tax Allocation Revenue Bonds (Project Areas No. 1 and No. 3 Refunding Project), Series A (the “Series 2005A Bonds” and together with the Series 2003A Bonds and the Series 2001A Bonds, the “RDA Bonds”) for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the Successor Agency issued its \$84,710,000 Successor Agency to San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A to refund the RDA Bonds then outstanding (“Prior Bonds”); and

WHEREAS, Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of the Law (“RDA Dissolution Act”) provide a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

WHEREAS, on March 11, 2025, the Successor Agency adopted a resolution which authorized the initiation of the process related to the issuance of bonds to refund all or a portion of the Prior Bonds to provide debt service savings to the Successor Agency; and

WHEREAS, HSC Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds provided that: (A) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded; and (B) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, to the extent authorized by HSC Section 34177.5(a), the Successor Agency desires to undertake the refunding of the Prior Bonds; and

WHEREAS, the CWOB is informed by the Successor Agency that it has determined to issue its Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A in one or more series, on a federally tax-exempt or taxable basis, and with such other name and series designation as shall be deemed appropriate (“Refunding Bonds”), for the purpose of: (i) refunding all or a portion of the Prior Bonds; (ii) paying the costs of issuing the Refunding Bonds; (iii) funding a reserve account and/or providing for a reserve policy or surety for deposit to the reserve account for the Refunding Bonds; and (iv) if advisable, paying for the cost of municipal bond insurance; and

WHEREAS, the CWOB is informed by the Successor Agency that the Refunding Bonds will be issued, payable from amounts and funds on deposit in the Redevelopment Property Tax Trust Fund of the Successor Agency (“RPTTF”) and allocated to the Successor Agency’s Redevelopment Obligation Retirement Fund, pursuant to that certain Indenture of Trust (“Original Indenture”), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A., as trustee (“Successor Agency Trustee”), dated July 1, 2015, as supplemented by that certain First Supplemental Indenture of Trust, dated December 1, 2017 (the “First Supplemental Indenture”), and that certain Second Supplemental Indenture of Trust, dated July 1, 2025 (the “Second Supplemental Indenture,” together with the Original Indenture and the First Supplemental Indenture, the “Indenture”), each by and between the Successor Agency and the Trustee; and

WHEREAS, the RDA Dissolution Act permits a successor agency to recover its related costs in connection with a refunding transaction, and such cost recovery shall be supplemental to, and not constrained by, the administrative cost allowance as such allowance is defined in HSC Section 34171(b); and

WHEREAS, the Successor Agency has indicated that there are potential debt service savings that can be achieved through refinancing all or a portion of the Prior Bonds and the CWOB is informed by the Successor Agency that it has determined to sell the Refunding Bonds to Stifel, Nicolaus, & Company, Incorporated (“Underwriter”) pursuant to a bond purchase agreement (“Bond Purchase Agreement”) between the Successor Agency and the Underwriter; and

WHEREAS, in connection with the issuance of the Refunding Bonds and the refunding of the Prior Bonds, the Successor Agency desires to enter into an Escrow Deposit and Trust Agreement with U.S. Bank Trust Company, National Association, as escrow bank (the “Escrow Agreement” and, together with the Indenture and the Bond Purchase Agreement, the “Primary Bond Documents”), pursuant to which the Successor Agency will provide the Trustee with money and/or investment securities sufficient to prepay or redeem, as applicable, and refund all or a portion of the Prior Bonds in accordance with the terms thereof; and

WHEREAS, following approval of the CWOB of the issuance of the Refunding Bonds by the Successor Agency and upon approval by the California Department of Finance of such approval by the CWOB, the Successor Agency will, with the assistance of bond counsel, disclosure counsel and its municipal advisor, cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Refunding Bonds; and

WHEREAS, the Successor Agency has approved all matters relating to the issuance and sale of the Refunding Bonds; and

WHEREAS, CWOB approval is required for all matters relating to the issuance and sale of the Refunding Bonds and execution of the Indenture as required by HSC Sections 34177.5(f) and 34180.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the San Diego Countywide Oversight Board as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. Approval of Refunding; Use of Other Funds. The Primary Bond Documents, in substantially the form presented at this meeting with such changes therein as the officer of the Successor Agency executing the same may require or approve, are hereby approved, and the issuance of the Refunding Bonds for the purposes set forth herein and subject to the requirements of HSC Section 34177.5(a) is hereby approved.

The Successor Agency has filed with the CWOB a certified copy of its resolution adopted on March 11, 2025, together with a summary report of the potential debt service savings, which report is hereby approved as demonstrating the potential savings that may result from the refunding of all or a portion of the Prior Bonds.

3. Recovery of Costs. The CWOB hereby authorizes and approves the Successor Agency to recover reasonable related costs incurred in connection with this transaction, including

the cost of City staff time. For the purpose of expending such proceeds, HSC Section 34177.3 and other provisions relating to Recognized Obligation Payment Schedules shall not apply. If the Successor Agency is not able to issue the Refunding Bonds, the Successor Agency may recover such costs by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in HSC Section 34171(b).

The Successor Agency shall be entitled to receive its full allocation of the Administrative Cost Allowance under HSC Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, Successor Agency Trustee's fees and expenses, auditing, bond counsel, municipal advisor and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Compliance Costs"), and such Compliance Costs shall be payable from property tax revenues pursuant to HSC Section 34183.

4. Additional Agreements. The Successor Agency is authorized and directed to prepare, approve and execute the Primary Bond Documents and such other documents, including, as necessary, a continuing disclosure certificate, an official statement, and any additional agreements as may be required to carry out the purposes hereof and of the Resolution of the Successor Agency approving the refunding transaction and related documents without the need for any further approval from the CWOB.

5. Authorized Officers. The Chair of the CWOB and the other officers and members of staff having responsibility for the affairs of the CWOB are hereby authorized and directed to execute such documents and certificates, if any, as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the Refunding Bonds.

6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The CWOB declares that the CWOB would have adopted this Resolution irrespective of the invalidity of any portion of this Resolution.

7. Effectiveness. This resolution shall take effect in accordance with HSC Sections 34177.5(f) and 34179(h).

PASSED AND ADOPTED by the Oversight Board, at its meeting held on April 17, 2025.

Approved as the Form and Legality
By Adam U. Lindgren, Oversight Board Counsel

Scott Buxbaum
Chair, Oversight Board

Debt Service Savings Analysis

Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A

	Series 2025 'AA-' underlying ⁽¹⁾⁽²⁾
Refunding Bond Amount	\$43,735,000
Par Refunded	\$51,345,000
Final Maturity	10/1/2034
Average Coupon of Refunded Bonds	5.00%
Average Coupon of Refunding Bonds	5.00%
True Interest Cost (effective rate)	3.11%
Net Present Value Savings (\$)	\$3,543,949
Net Present Value Savings (%)	6.90%
Savings (\$) ⁽³⁾	\$4,101,250
Average Annual Savings (\$) ⁽⁴⁾	\$455,694

Taxing Entities Share of Average Annual Savings:

San Marcos City	\$33,786
San Marcos Fire Protection District	\$29,530
Unified San Marcos	\$177,218
County of San Diego	\$65,102
Educational Revenue Augmentation Fund	\$64,007
Palomar Community College	\$30,465
County Library	\$17,357
Vallecitos Water District	\$13,692
San Diego County Office of Education	\$13,355
Palomar Health	\$7,368
San Diego County Water District	\$1,732
North County Cemetery	\$1,322
Gen Elem Escondido Union	\$253
High Escondido Union	\$192
Rincon Del Diablo Muni Water District	\$182
Vista Irrigation	\$83
Greater San Diego Co. Res. Conservation Dist Land	\$38
Olivenhain Muni Water District	\$13
Total	\$455,694

Notes

(1) Preliminary Cash Flows as of 1/27/25. Closing Date of 7/10/25.

(2) Refunding assumes Surety at 2.25%.

(3) Savings calculated as total net debt service of Refunded Bonds less total net debt service of Refunding Bonds (accounting for application of funds on hand).

(4) Average annual savings, beginning in 2026, are calculated by taking the total savings and dividing it by the remaining term on the Refunded Bonds.

RESOLUTION NO. SA 2025 - 035

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY APPROVING
THE ISSUANCE OF BONDS TO REFUND CERTAIN OF ITS
OUTSTANDING BONDS, APPROVING THE EXECUTION
AND DELIVERY OF A SECOND SUPPLEMENTAL
INDENTURE OF TRUST, ESCROW DEPOSIT AND TRUST
AGREEMENT AND BOND PURCHASE AGREEMENT
RELATING THERETO, REQUESTING OVERSIGHT
BOARD APPROVAL OF THE ISSUANCE OF THE
REFUNDING BONDS, REQUESTING CERTAIN
DETERMINATIONS BY THE OVERSIGHT BOARD, AND
AUTHORIZING AND PROVIDING FOR OTHER MATTERS
PROPERLY RELATED THERETO**

WHEREAS, pursuant to Section 34173 of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the City Council of the City of San Marcos (the "City") elected to assume the activities and obligations of the San Marcos Redevelopment Agency (the "Former Agency"), as the Successor Agency to the San Marcos Redevelopment Agency (the "Successor Agency");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued, among other bonds, its \$54,055,000 2001 Public Improvement Refunding Revenue Bonds, Series A (Civic Center/Public Works Yard) (the "Series 2001A Bonds"), its \$69,740,000 San Marcos Public Facilities Authority 2003 Tax Allocation Revenue Bonds (Project Areas No. 1, No. 2 and No. 3 Refunding and Financing Project), Series A (the "Series 2003A Bonds") and its \$30,235,000 San Marcos Public Facilities Authority 2005 Tax Allocation Revenue Bonds (Project Areas No. 1 and No. 3 Refunding Project), Series A (the "Series 2005A Bonds and together with the Series 2003A Bonds and the Series 2001A Bonds, the "Former Agency Bonds") for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the Successor Agency issued its \$84,710,000 Successor Agency to San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A to refund the Former Agency Bonds then outstanding (the "Prior Bonds"); and

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") to refund the bonds or other indebtedness of the Successor Agency for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"); and

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its San Marcos Redevelopment Agency Tax Allocation

Refunding Bonds, Series 2025A, in one or more series and with such other name and series designation as shall be deemed appropriate by an Authorized Officer (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay the Prior Bonds and, thereby, to refund all or a portion of the Prior Bonds (the "Debt Service Savings Analysis"); and

WHEREAS, the Debt Service Savings Analysis of the Municipal Advisor concluded that issuance of the Refunding Bonds will meet the required Savings Parameters; and

WHEREAS, the Successor Agency wishes at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of (a) the Second Supplemental Indenture of Trust (the "Second Supplemental Indenture"), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor in interest to MUFG Union Bank, N.A., as trustee (the "Trustee"), to amend and supplement the Indenture of Trust, dated as of July 1, 2015 (the "Original Indenture") by and between the Successor Agency and the Trustee, as previously amended and supplemented by the First Supplemental Indenture of Trust, dated December 1, 2017 (the "First Supplemental Indenture," and collectively with the Original Indenture and the Second Supplemental Indenture, the "Indenture") by and between the Successor Agency and the Trustee; and (b) the Escrow Deposit and Trust Agreement (the "Escrow Agreement") by and between the Successor Agency and U.S. Bank Trust Company, National Association, as escrow bank (the "Escrow Bank"), to provide for the defeasance and redemption of the Prior Bonds; and

WHEREAS, the Successor Agency hereby determines that the issuance of the Refunding Bonds will conform to and comply with the provisions of the Debt Issuance, Management and Post Issuance Compliance Policy adopted by the City Council for the City and all other entities for which it serves as the legislative body, including the Successor Agency; and

WHEREAS, in compliance with Section 5852.1 of the Government Code, the Successor Agency has obtained from the Municipal Advisor, a required good faith estimates which is set forth in staff report accompanying this resolution; and

WHEREAS, pursuant to Section 34179, the San Diego Countywide Oversight Board (the "Oversight Board"); and

WHEREAS, the Successor Agency requests that the Oversight Board approve the Successor Agency's plan of refinancing, including the issuance of the Refunding Bonds pursuant to this Resolution and the Indenture; and

WHEREAS, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds; and

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds on a negotiated basis to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and the Successor Agency will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with the Underwriter, in connection with the sale of the Refunding Bonds to the Underwriter subject to the limitations set forth in this Resolution; and

WHEREAS, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency, to be effective upon approval by the California Department of Finance of such approval by the Oversight Board, the Successor Agency, with the assistance of its Municipal Advisor, the Underwriter, Stradling Yocca Carlson & Rauth, LLP, as disclosure counsel, and Best Best & Krieger LLP, as bond counsel, will cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Refunding Bonds.

NOW, THEREFORE, the City Council of the City of San Marcos, serving in its capacity as the Successor Agency to the San Marcos Redevelopment Agency RESOLVES as follows:

1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters as a result of the issuance by the Successor Agency of the Refunding Bonds to provide funds to defease and redeem the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the City Clerk of the City, acting as the Clerk of the Successor Agency (the "Clerk"), which Debt Service Savings Analysis is hereby approved.

2. Approval of Issuance of the Refunding Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds, in one or more series and with such other name and series designation as shall be deemed appropriate by an Authorized Officer, on a federally tax-exempt or taxable basis, pursuant to Section 34177.5(a)(1) and other applicable provisions of law and the Refunding Law in the aggregate principal amount of not to exceed \$46,000,000, provided that the maximum true interest cost on the Refunding Bonds does not exceed 5.000%, and underwriter's discount is not in excess of 0.50% of the aggregate principal amount of the Refunding Bonds, and the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery and that the net present value savings to the Successor Agency as a result of the refunding is not less than five percent (5.00%).

3. Approval of the Second Supplemental Indenture. The Successor Agency hereby approves the form of the Second Supplemental Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. The Mayor, as the Chair and presiding officer of the Successor Agency, the City Manager of the City, as the chief administrative officer of the Successor Agency, or the Finance Director of the City, each acting for and on behalf of the Successor Agency (each, an "Authorized Officer"), are each hereby authorized and directed to execute and deliver the Second Supplemental Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Second Supplemental Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

4. Approval of Escrow Agreement. The form of the Escrow Agreement on file with the Clerk is hereby approved and the Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement in connection with the issuance of the Refunding Bonds. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Agreement.

5. Oversight Board Approval of the Issuance of the Refunding Bonds. The Successor Agency hereby requests the Oversight Board as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

6. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) the Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) the application of proceeds of the Refunding Bonds by the Successor Agency to the defeasance and redemption of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California

Department of Finance, the San Diego County Auditor-Controller or any other person or entity other than the Successor Agency;

(c) the Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34171(b) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance; and

(d) the Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, the Bond Purchase Agreement, an official statement, a continuing disclosure certificate and any additional agreements as may be required to carry out the purposes of this resolution without the need for further approval from the Oversight Board.

7. Filing of Debt Service Savings Analysis and Resolution. The Clerk is hereby authorized and directed to file, on behalf of the Successor Agency, the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the San Diego County Administrative Officer, the San Diego County Auditor-Controller and the California Department of Finance.

8. Sale of Refunding Bonds. The form of the Bond Purchase Agreement on file with the City Clerk is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Successor Agency hereby authorizes the delivery of, and performance of its obligations under, the Bond Purchase Agreement.

The Successor Agency hereby approves the sale of the Refunding Bonds to the Underwriter, pursuant to the Bond Purchase Agreement, and the Authorized Officers are hereby authorized and directed to provide such information to the Underwriter as they request in connection with the marketing of the Refunding Bonds, and to provide such representations and warranties as is customary in connection with the issuance of bonds such as the Refunding Bonds,

including by executing certificates as the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

9. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters and that the net present value savings to the Successor Agency as a result of the refunding is not less than five percent (5.00%). However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds pursuant to a further supplement to the Indenture without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters and that the net present value savings to the Successor Agency as a result of the refunding of such part is not less than five percent (5.00%).

10. Bond Issuance Services. U.S. Bank Trust Company, National Association, is hereby appointed as Trustee and Escrow Bank; Fieldman, Rolapp & Associates, Inc. is hereby appointed as municipal advisor; Best Best & Krieger LLP is hereby appointed as bond counsel; Stradling Yocca Carlson & Rauth, LLP, is hereby appointed as disclosure counsel; Stifel, Nicolaus & Company, Incorporated is hereby appointed as Underwriter and 30 Three Sixty Public Finance, Inc. is hereby appointed as fiscal consultant.

The Authorized Officers, acting for the Successor Agency, are authorized to execute contracts for such services and any other related services as may be required to refund the Prior Bonds.

11. Municipal Bond Insurance and Debt Service Reserve Insurance. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and a debt service reserve insurance policy for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor to the Successor Agency and the Underwriter, that such municipal bond insurance policy and/or reserve fund surety bond will reduce the true interest costs with respect to the Refunding Bonds.

12. Ratification. All actions heretofore taken by the officials, employees and agents of the Successor Agency with respect to the sale and issuance of the Refunding Bonds are hereby approved, confirmed and ratified.

13. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any Authorized Officer or other officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated in writing by such officer to act on his or her behalf in the case such officer is absent or unavailable.

14. Effective Date. This Resolution shall take effect immediately upon its passage; provided, however, that the Successor Agency will not execute and deliver the documents approved hereby or issue the Refunding Bonds until such execution, delivery and issuance has been approved by the Oversight Board and the Department of Finance of the State of California.

PASSED, APPROVED AND ADOPTED by the City Council of the City of San Marcos acting in its capacity as designated Successor Agency to the former San Marcos Redevelopment Agency, at a regular meeting held on the 11th day of March, 2025, by the following roll call vote:

AYES: COUNCIL MEMBERS: LEBLANG, MUSGROVE, NUÑEZ, SANNELLA, JONES

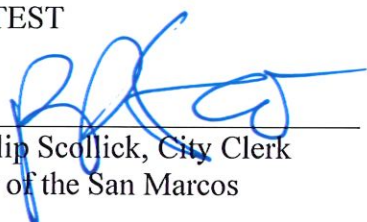
NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE



Rebecca D. Jones, Mayor
City of San Marcos

ATTEST



Phillip Scollick, City Clerk
City of the San Marcos

**FIRST SUPPLEMENTAL
INDENTURE OF TRUST**

Dated as of December 1, 2017

by and between

SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY

and

MUFG UNION BANK, N.A.,

as Trustee

Relating to

\$47,800,000

**Successor Agency to the San Marcos Redevelopment Agency
Taxable Tax Allocation Refunding Bonds, Series 2017**

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FIRST SUPPLEMENTAL INDENTURE OF TRUST

This FIRST SUPPLEMENTAL INDENTURE OF TRUST, dated as of December 1, 2017 (the “First Supplemental Indenture”), by and between the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “Successor Agency”), as successor to the San Marcos Redevelopment Agency, and MUFG UNION BANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”), pursuant to and in order to amend and supplement that Indenture of Trust, dated as of July 1, 2015 (the “Indenture”) by and between the Successor Agency and the Trustee, to provide for the issuance of Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017.

WITNESSETH:

WHEREAS, the Successor Agency and the Trustee executed and delivered the Indenture relating to the Successor Agency’s Tax Allocation Refunding Bonds, Series 2015A which were issued in the aggregate principal amount of \$84,710,000 on July 14, 2015 (the “Series 2015A Bonds”) and the Successor Agency’s Taxable Tax Allocation Refunding Bonds, Series 2015B which were issued in the aggregate principal amount of \$139,285,000 on July 14, 2015 (the “Series 2015B Bonds” and together with the Series 2015A Bonds, the “Series 2015 Bonds”); and

WHEREAS, pursuant to Section 3.04 of the Indenture, the Successor Agency may issue or incur additional Parity Debt for purposes of refunding any existing debt of the Successor Agency so long as Section 34117.5(a) of the Redevelopment Law has been satisfied; and

WHEREAS, the San Marcos Redevelopment Agency (the “Former Agency”) entered into a Trust Indenture, dated as of December 1, 2010 (the “Prior Indenture”) with Union Bank, N.A., currently known as MUFG Union Bank, N.A., as trustee (the “Prior Trustee”), pursuant to which the Former Agency issued its Housing Set-Aside Tax Allocation Bonds, Series 2010 (Taxable) (the “Housing Bonds”); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law (found at Health and Safety Code Section 33000, et.seq.) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012, in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Prior Indenture and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5(a)(1) of the Dissolution Act authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law and the Refunding Law of its Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017 (the “Series 2017 Bonds”) in an aggregate principal amount not to exceed \$50,000,000 in order to refund the Housing Bonds; and

WHEREAS, the Successor Agency will cause the delivery of the Series 2017 Reserve Policy (as defined in Section 1.03 hereto) by AGM (as defined in Section 1.01 of the Indenture) to the Trustee on the Closing Date (as defined in Section 1.03 hereto) to satisfy the Reserve Requirement (as defined in Section 1.03 hereto) for the Series 2017 Bonds; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2017 Bonds, to establish and declare the terms and conditions upon which the Series 2017 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this First Supplemental Indenture; and

WHEREAS, the Indenture provides that it may be modified or amended at any time by a Supplemental Indenture (as such term is defined in the Indenture), but without the consent of any Owners to provide for the issuance of Parity Debt (as such term is defined in the Indenture) and to provide the terms and conditions under which such Parity Debt may be issued; and

WHEREAS, the Indenture further provides that it may be modified without the consent of any Owners in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2017 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this First Supplemental Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Series 2017 Bonds and any other Outstanding Bonds issued under the Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2017 Bonds and any other Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2017 Bonds and any other Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with

one another, for the benefit of the respective Owners from time to time of the Series 2017 Bonds and any other Bonds, as follows:

ARTICLE I

AUTHORITY AND AMENDMENT OF INDENTURE; DEFINITIONS

Section 1.01. Authority for this First Supplemental Indenture. This First Supplemental Indenture is entered into pursuant to the provisions of the Indenture, the Refunding Law and the Redevelopment Law.

Section 1.02. Amendment of Indenture. This First Supplemental Indenture amends and supplements the Indenture for the purpose of providing for the issuance, execution, authentication and delivery of the Series 2017 Bonds as Parity Debt (as defined in Section 1.01 of the Indenture) and for the purpose of amending the definition of Pass-Through Agreements. Regardless of the specific provisions of the Indenture, and except as specifically provided in Article II hereof, the terms “Bonds” as used in the Indenture shall refer and be applicable, to the same extent and with the same effect, to the Series 2015 Bonds and the Series 2017 Bonds and the term “Owner” shall refer and be applicable, to the same extent and with the same effect, to the Owners of the Series 2015 Bonds and the Owners of the Series 2017 Bonds. Unless specifically defined herein, words and terms used herein with initial letters capitalized have the meanings given to them in the Indenture. Except as provided below, the definitions of words and terms set forth in Section 1.01 of the Indenture are applicable for all purposes of this First Supplemental Indenture. If a word or term used herein and in the Indenture with initial letters capitalized is defined both herein and in the Indenture, the definition contained herein shall amend and supersede the definition contained in the Indenture.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this First Supplemental Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Bond Year” means, with respect to the Series 2017 Bonds, any twelve-month period beginning on October 2 in any year and extending to the next succeeding October 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on October 1, 2018.

“Closing Date” means, with respect to the Series 2017 Bonds, the date on which the Series 2017 Bonds are delivered by the Successor Agency to the Original Purchaser.

“Credit Facility” is amended to mean (i) the Reserve Policy, (ii) the Series 2017 Reserve Policy or (iii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to the provisions of the Indenture, provided that all of the following requirements are met by the Successor Agency at the time of delivery thereof to the Trustee: (a) the long-term credit rating of such bank or insurance company is in one of the three highest rating categories by S&P; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the provisions of the Indenture; (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw

thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to the provisions of the Indenture; and (e) prior written notice is given to the Trustee before the effective date of any such Credit Facility.

“Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of December 1, 2017, by and between the Successor Agency and the Escrow Bank pertaining to the Housing Bonds.

“Escrow Bank” means MUFG Union Bank, N.A., acting in its capacity as the escrow bank pursuant to the Escrow Agreement.

“First Supplemental Indenture” means this First Supplemental Indenture, dated as of December 1, 2017, by and between the Successor Agency and the Trustee, pursuant to and in order to amend and supplement the Indenture.

“Interest Payment Date” means, with respect to the Series 2017 Bonds, each April 1 and October 1, commencing April 1, 2018, for so long as any of the Series 2017 Bonds remain unpaid.

“Late Payment Rate” is amended to mean the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2015 Bonds (with respect to the Reserve Policy) and the Series 2017 Bonds (with respect to the Series 2017 Reserve Policy) and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime rate shall be the publicly announced prime or base lending rate of such national bank as AGM shall specify.

“Office” is amended to mean, with respect to the Trustee, the corporate trust office of the Trustee at 445 S. Figueroa Street, Suite 401, Los Angeles, California 90071, or at such other or additional offices as may be specified by the Trustee in writing to the Successor Agency, provided that for the purposes of maintenance of the Registration Books and presentation of Bonds for transfer, exchange or payment such term shall mean the office of the Trustee at which it conducts its corporate agency business.

“Original Purchaser” means, with respect to the Series 2017 Bonds, Stifel, Nicolaus & Company, Incorporated, as the original purchaser of the Series 2017 Bonds.

“Parity Debt” is amended to mean any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency on parity with the Series 2015 Bonds and the Series 2017 Bonds pursuant to Section 3.04 of the Indenture.

“Pass-Through Agreements” is amended to mean certain contractual and statutory obligations secured by a pledge or lien on tax increment revenues superior to the lien securing the Bonds, as set forth in the agreements listed below:

(a) Amended and Restated Agreement regarding Redevelopment Project Areas 1, 2 and 3, dated as of December 12, 2000, by and among Palomar Community College District, the City and the Former Agency;

(b) Agreement for Cooperation, dated as of July 25, 1989, by and among the San Diego County Office of Education, the City and the Former Agency;

(c) Amended Agreement for Cooperation, dated as of April 10, 1990, by and among the County of San Diego, the City and the Former Agency;

(d) Agreement for Cooperation, dated as of August 13, 1985, by and among Olivenhain Municipal Water District, the City and the Former Agency;

(e) Agreement for Cooperation, dated as of May 28, 1985, by and among Palomar Community College District, the City and the Former Agency;

(f) Agreement for Cooperation, dated as of May 14, 1985, by and among the San Marcos Fire Protection District, the City and the Former Agency;

(g) Agreement for Cooperation, dated as of May 14, 1985, by and among San Marcos County Water District (now Vallecitos Water District), the City and the Former Agency;

(h) Settlement Agreement and Mutual Release of Claims, dated as of July 8, 1998, by and among the County of San Diego, the City and the Former Agency;

(i) Agreement for Cooperation, dated as of March 13, 1990, by and among North County Cemetery District, the City and the Former Agency;

(j) Agreement for Cooperation, dated as of February 13, 1991, by and among Palomar Community College District, the City and the Former Agency;

(k) Agreement for Cooperation, dated as of June 13, 1989, by and among Palomar Community College District, the City and the Former Agency;

(l) Agreement for Cooperation, dated as of June 13, 1989, by and among San Marcos Fire Protection District, the City and the Former Agency;

(m) Agreement for Cooperation, dated as of June 13, 1989, by and among Vallecitos Water District, the City and the Former Agency;

(n) Agreement for Cooperation, dated as of June 13, 1989, by and between among the San Marcos Unified School District, the City and the Former Agency, and

(o) Agreement and Cooperation Agreement, dated as of March 14, by and between the San Marcos Unified School District, the City and the Former Agency.

“Policy Costs” is amended to mean, collectively, repayment of draws on the Reserve Policy, the Series 2017 Reserve Policy and payment of expenses and accrued interest thereon as provided by Section 4.06(a) of the Indenture (with respect to the Reserve Policy) and Section 3.05(a) of this First Supplemental Indenture (with respect to the Series 2017 Reserve Policy) at the Late Payment Rate.

“Reserve Requirement” means, with respect to the Series 2017 Bonds, as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of the Series 2017 Bonds, (ii) Maximum Annual Debt Service with respect to the Series 2017 Bonds, or (iii) 125% of average Annual Debt Service on the Series 2017 Bonds; provided that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Credit Facility meeting the requirements of Section 4.03(d) of the Indenture.

“RPTTF Disbursement Period” means the six month fiscal period beginning each January 2 and June 1 of each year.

“Series 2017 Bonds” means the Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017, issued in the initial principal amount of \$47,800,000.

“Series 2017 Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate executed and delivered by the Successor Agency for the benefit of the Owners of the Series 2017 Bonds and any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2017 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2017 Bonds for federal income tax purposes, and in order to assist the Original Purchaser in complying with Rule 15c2 12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Series 2017 Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Successor Agency and related to the authorization, sale and issuance of the Series 2017 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Trustee including its first annual administration fee, expenses incurred by the Successor Agency in connection with the issuance of the Series 2017 Bonds, fees and charges of the Trustee for paying and redeeming the Housing Bonds, underwriter’s discount, original issue discount, legal fees and charges, including Bond Counsel and financial consultant’s fees, costs of cash flow verification, premiums for any reserve policy the Successor Agency may purchase, rating agency fees, charges for execution, transportation and safekeeping of the Series 2017 Bonds and other costs, charges and fees in connection with the original issuance of the Series 2017 Bonds.

“Series 2017 Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04 hereto.

“Series 2017 Reserve Sub-Account” means the sub-account by that name established and held by the Trustee pursuant to Section 4.03(d) of the Indenture.

“Series 2017 Reserve Policy” means the municipal bond debt service reserve insurance policy issued by AGM deposited into the Series 2017 Reserve Sub-Account securing the Series 2017 Bonds.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2017 BONDS

Section 2.01. Authorization and Purpose of Series 2017 Bonds. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2017 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Series 2017 Bonds in the manner and form provided in the Indenture as modified and supplemented by this First Supplemental Indenture.

The Series 2017 Bonds in the aggregate principal amount of Forty Seven Million Eight Hundred Thousand Dollars (\$47,800,000) are hereby authorized to be issued by the Successor Agency under the Refunding Law and the Redevelopment Law as Parity Debt for the purpose of providing funds to refund the Housing Bonds. The Series 2017 Bonds shall be authorized and issued under, and shall be subject to the terms of, the Indenture as modified and supplemented by this First Supplemental Indenture and the Redevelopment Law. The Series 2017 Bonds shall be designated the “Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017.”

Section 2.02. Terms of the Series 2017 Bonds. The Series 2017 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2017 Bond shall have more than one maturity date. The Series 2017 Bonds shall mature on October 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360 day year comprised of twelve 30-day months) at the rates, as follows:

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2018	\$4,595,000	1.500%
2019	3,150,000	2.000
2020	3,215,000	2.000
2021	3,275,000	2.000
2022	3,345,000	2.250
2023	3,420,000	2.500
2024	3,500,000	2.750
2025	3,600,000	3.000
2026	3,710,000	3.000
2027	3,820,000	3.000
2028	3,930,000	3.125
2029	4,055,000	3.250
2030	4,185,000	3.250

Interest on the Series 2017 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of Series 2017 Bonds of the same series in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any Series 2017 Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Office of the Trustee and shall be payable in lawful money of the United States of America.

Each Series 2017 Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before March 15, 2018, in which event it shall bear interest from the Closing Date; *provided, however,* that if, as of the date of authentication of any Series 2017 Bond, interest thereon is in default, such Series 2017 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of Series 2017 Bonds.

(a) Optional Redemption. The Series 2017 Bonds maturing on or before October 1, 2027, are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing on and after October 1, 2028, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 2027, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series 2017 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Series 2017 Bonds under this Section 2.03(a) at least 60 days prior to the date to be fixed for redemption or such later date as shall be permitted by the Trustee and the Successor Agency shall deposit all amounts required for any redemption pursuant to this Section 2.03(a) at least one Business Day prior to the date fixed for such redemption.

(b) Notice of Redemption, Rescission. Subject to Section 2.03(c), the Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Series 2017 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services designated in a Request of the Successor Agency delivered to the Trustee (by any means acceptable to such depositories and services in

substitution of first class mail); *provided, however*, that such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2017 Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall, if applicable, designate the CUSIP number of the Series 2017 Bonds to be redeemed, shall state the individual number of each Series 2017 Bond to be redeemed or state that all Series 2017 Bonds between two stated numbers (both inclusive) or shall state that all of the Series 2017 Bonds Outstanding of one or more maturities are to be redeemed, and shall require that such Series 2017 Bonds be then surrendered at the Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on the Series 2017 Bonds to be redeemed will not accrue from and after the date fixed for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2017 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(c) Partial Redemption of Series 2017 Bonds. In the event only a portion of any Series 2017 Bond is called for redemption, then upon surrender thereof the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Series 2017 Bond or Bonds of the same interest rate and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2017 Bond to be redeemed.

(d) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Series 2017 Bonds so called for redemption shall have been duly deposited with the Trustee, such Series 2017 Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(e) Manner of Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the maturity of the Series 2017 Bonds, the Trustee shall select the Series 2017 Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Series 2017 Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Series 2017 Bonds that may be separately redeemed.

Section 2.04. Form of Series 2017 Bonds. The Series 2017 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference

incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by the Indenture.

Section 2.05. Authentication and Delivery of Series 2017 Bonds. The Series 2017 Bonds shall be executed on behalf of the Successor Agency by the signature of its Chairman, Executive Director or the Finance Director of the City and the signature of its Secretary who are in office on the date of execution and delivery of this First Supplemental Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Series 2017 Bond ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Series 2017 Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Series 2017 Bond shall be the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such Series 2017 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Series 2017 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this First Supplemental Indenture, and such certificate of the Trustee shall be conclusive evidence that such Series 2017 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this First Supplemental Indenture.

Section 2.06. Transfer of Series 2017 Bonds. Subject to the limitations set forth below, any Series 2017 Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2017 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Series 2017 Bond shall not be permitted by the Trustee during the fifteen (15) day period preceding the selection of Series 2017 Bonds for redemption or if such Series 2017 Bond has been selected for redemption pursuant to Section 2.03 of the Indenture. Whenever any Series 2017 Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and shall deliver a new Series 2017 Bond for a like aggregate principal amount and of like series and maturity. The Trustee may require the Series 2017 Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Series 2017 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

Section 2.07. Exchange of Series 2017 Bonds. Any Series 2017 Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2017 Bonds of other authorized denominations and of like series and maturity. Exchange of any Series 2017 Bond shall not be permitted during the fifteen (15) day period preceding the selection of Series 2017 Bonds for redemption or if such Series 2017 Bond has been selected for redemption pursuant to Section 2.03 of the Indenture. The Trustee may require the Series 2017 Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Series 2017 Bonds and any services

rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

Section 2.08. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Series 2017 Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the Successor Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Series 2017 Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Series 2017 Bonds may be initially issued in temporary form exchangeable for definitive Series 2017 Bonds when ready for delivery. The temporary Series 2017 Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Series 2017 Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Series 2017 Bonds. If the Successor Agency issues temporary Series 2017 Bonds it will execute and furnish definitive Series 2017 Bonds without delay, and thereupon the temporary Series 2017 Bonds shall be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Series 2017 Bonds an equal aggregate principal amount of definitive Series 2017 Bonds of authorized denominations. Until so exchanged, the temporary Series 2017 Bonds shall be entitled to the same benefits pursuant to the Indenture as definitive Series 2017 Bonds authenticated and delivered hereunder.

Section 2.10. Series 2017 Bonds Mutilated, Lost, Destroyed or Stolen. If any Series 2017 Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Series 2017 Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2017 Bond of like series and tenor in exchange and substitution for the Series 2017 Bond so mutilated, but only upon surrender to the Trustee of the Series 2017 Bond so mutilated. Every mutilated Series 2017 Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Successor Agency. If any Series 2017 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory and indemnity satisfactory to the Trustee shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2017 Bond of like series and tenor in lieu of and in substitution for the Series 2017 Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Series 2017 Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Series 2017 Bond issued under the provisions of this Section in lieu of any Series 2017 Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Series 2017 Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this First Supplemental Indenture with all other Series 2017 Bonds issued pursuant to this First Supplemental Indenture.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Series 2017 Bond for which principal has become due for a Series 2017 Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Series 2017 Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

Section 2.11. Book Entry Form.

(a) Original Delivery to Depository. The Series 2017 Bonds shall be initially delivered to DTC in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Series 2017 Bonds. Upon initial delivery, the ownership of each such Series 2017 Bond shall be registered on the Registration Books in the name of Cede & Co., as nominee (the “Nominee”) of the Depository Trust Company (“Depository”). Except as provided in subsection (c), the ownership of all of the Outstanding Series 2017 Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Series 2017 Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository participant (“Depository System Participant”) or to any person on behalf of which the Successor Agency holds an interest in the Series 2017 Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2017 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2017 Bond Owner as shown in the Registration Books, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2017 Bonds to be redeemed in the event the Successor Agency elects to redeem the Series 2017 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2017 Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series 2017 Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series 2017 Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Series 2017 Bond is registered as the absolute owner of such Series 2017 Bond for the purpose of payment of principal of and premium, if any, and interest on such Series 2017 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2017 Bond, for the purpose of registering transfers of ownership of such Series 2017 Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Series 2017 Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Series 2017 Bonds to the extent of the sum or sums so paid. No person other than a Series 2017 Bond Owner shall receive a Series 2017 Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to the Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2017 Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Series 2017 Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2017 Bonds other than the Series 2017 Bond Owners. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with the Indenture, to qualify the Series 2017 Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Series 2017 Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Series 2017 Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2017 Bonds, and by surrendering the Series 2017 Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2017 Bonds are to be issued. The Depository, by accepting delivery of the Series 2017 Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Series 2017 Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Series 2017 Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the Series 2017 Bonds that they be able to obtain certificated Series 2017 Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated Series 2017 Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Series 2017 Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Series 2017 Bonds to any Depository System Participant having Series 2017 Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Series 2017 Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2017 Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF SERIES 2017 BONDS

Section 3.01. Issuance of Series 2017 Bonds. Upon the execution and delivery of this First Supplemental Indenture, the Successor Agency shall execute and deliver the Series 2017 Bonds in the aggregate principal amount of \$47,800,000 to the Trustee, and the Trustee shall authenticate and deliver the Series 2017 Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

Section 3.02. Deposit and Application of Proceeds. On the Closing Date, the Original Purchaser shall purchase the Series 2017 Bonds for a purchase price of \$46,612,326.67 (being the initial aggregate principal amount of the Series 2017 Bonds of \$47,800,000.00 *less* original issue discount of \$1,000,315.00, and *less* Original Purchaser's discount of \$187,358.33). The Trustee shall forthwith set aside, pay over and deposit such proceeds, *less* the amount of \$109,979.26 paid to AGM by the Original Purchaser, as follows (provided that the details of the receipt and deposit of such proceeds shall be set forth in a closing instruction from the Successor Agency to the Trustee):

(a) Transfer the amount of \$46,222,182.60 to the Escrow Bank for deposit in the Escrow Fund established pursuant to the Escrow Agreement;

(b) Deposit the amount of \$280,164.81 in the Series 2017 Costs of Issuance Fund.

The Trustee may establish one or more temporary funds or accounts to facilitate such deposits and transfers.

Section 3.03. Series 2017 Reserve Sub-Account. Pursuant to Section 4.03(d) of the Indenture, there is hereby created and established in the Reserve Account to be maintained by the Trustee, the Series 2017 Reserve Sub-Account. The Reserve Requirement for the Series 2017 Bonds will be satisfied by the delivery of the Series 2017 Reserve Policy by AGM on the Closing Date with respect to the Series 2017 Bonds. The Successor Agency will have no obligation to replace the Series 2017 Reserve Policy or to fund the Series 2017 Reserve Sub-Account with cash if, at any time that the Series 2017 Bonds are Outstanding amounts are not available under the Series 2017 Reserve Policy other than in connection with a draw on the Series 2017 Reserve Policy. The Series 2017 Reserve Policy will be held in the Series 2017 Reserve Sub-Account as security solely for the Series 2017 Bonds.

Section 3.04. Series 2017 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2017 Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Series 2017 Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Series 2017 Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date six months following the Closing Date, or upon the earlier Written Request of the Successor Agency stating that all known Series

2017 Costs of Issuance have been paid, all amounts, if any, remaining in the Series 2017 Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund and the Series 2017 Costs of Issuance Fund shall be closed.

Section 3.05. Provisions Relating to Series 2017 Reserve Policy. So long as the Series 2017 Reserve Policy remains in force and effect, or any amounts are owed to AGM, the following provisions shall govern and control notwithstanding anything to the contrary set forth in the Indenture.

(a) The Successor Agency shall repay any draws under the Series 2017 Reserve Policy and pay all related reasonable expenses incurred by AGM and shall pay interest thereon from the date of payment by AGM at the Late Payment Rate. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party, be applied as additional interest for any later periods of time when amounts are outstanding under the Indenture to the extent that interest otherwise due under the Indenture for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by AGM, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and AGM had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate Policy Costs related to such draw.

The Successor Agency shall take all actions required by the Dissolution Act to ensure that Policy Costs are paid to AGM when due, including the submittal of Recognized Obligation Payment Schedules providing for Policy Costs that are payable to AGM.

Amounts in respect of Policy Costs paid to AGM shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to AGM on account of principal due, the coverage under the Series 2017 Reserve Policy will be increased by a like amount, subject to the terms of the Series 2017 Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on the Pledged Tax Revenues (subject only to the priority of payment provisions set forth hereunder).

All cash and investments in the Series 2017 Reserve Sub-Account, if any, shall be transferred to the Interest Account, the Principal Account and the Sinking Account for payment of debt service on the Series 2017 Bonds before any drawing may be made on the Series 2017 Reserve Policy or any other Credit Facility deposited to the Series 2017 Reserve Sub-Account. Payment of Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Series 2017 Reserve Policy) on which there is available

coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2017 Reserve Sub-Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2017 Reserve Sub-Account. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) Upon a failure to pay Policy Costs when due or any other breach of terms of this Section 3.05, AGM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, other than (i) acceleration of the maturity of the Series 2017 Bonds or (ii) remedies which would adversely affect owners of the Series 2017 Bonds.

(c) The Indenture shall not be discharged until all Policy Costs owing to AGM shall have been paid in full. The Successor Agency’s obligation to pay such amounts shall expressly survive payment in full of the Series 2017 Bonds.

(d) The Successor Agency shall include any Policy Costs then due and owing AGM in the calculation of the additional bonds test in the Indenture.

(e) The prior written consent of AGM shall be a condition precedent to the deposit of any Credit Facility credited to the Series 2017 Reserve Sub-Account established for the Series 2017 Bonds in lieu of a cash deposit into the Series 2017 Reserve Sub-Account. Amounts drawn under the Series 2017 Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2017 Bonds when due.

(f) The Trustee shall ascertain the necessity for a claim upon the Series 2017 Reserve Policy in accordance with the provisions of subparagraph (a) hereof and provide notice to AGM in accordance with the terms of the Series 2017 Reserve Policy at least four (4) Business Days prior to each date upon which interest or principal is due on the Series 2017 Bonds. Where deposits are required to be made by the Successor Agency with the Trustee to the Interest Account and the Principal Account for the Series 2017 Bonds more often than semi-annually, the Trustee shall be instructed to give notice to AGM of any failure of the Successor Agency to make timely payment in full of such deposits within two (2) Business Days of the date due.

(g) The Successor Agency will pay or reimburse AGM any and all charges, fees, costs, losses, liabilities and expenses which AGM may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Series 2017 Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Indenture or any Related Documents, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Successor Agency) relating to the Indenture or any other Related

Document, any party to the Indenture or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations hereunder or any other Related Document, if any, or the pursuit of any remedies hereunder or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver, or other action with respect to, or related to the Indenture, the Series 2017 Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by AGM to cure a default or termination or similar event (or to mitigate the effect thereof) hereunder or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of AGM spent in connection with the actions described in clauses (ii) through (v) above. AGM reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Successor Agency shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by AGM until the date AGM is paid in full.

(h) The obligation of the Successor Agency to pay all amounts due to AGM shall be an absolute and unconditional obligation of the Successor Agency and will be paid or performed strictly in accordance with the provisions of this Section 3.05, irrespective of: (i) any lack of validity or enforceability of or any amendment or modifications of, or waiver with respect to the Series 2017 Bonds, the Indenture or any other Related Document; (ii) any amendment or other modification of, or waiver with respect to the Series 2017 Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Series 2017 Bonds, the Indenture or any other Related Documents; (iv) whether or not such Series 2017 Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the Series 2017 Reserve Policy, the Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Successor Agency may have at any time against the Trustee or any other person or entity other than AGM, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Series 2017 Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by AGM under the Series 2017 Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Series 2017 Reserve Policy.

(i) The Successor Agency shall fully observe, perform and fulfill each of the provisions (as each of these provisions may be amended, supplemented, modified or waived with the prior written consent of AGM) of the Indenture applicable to it. No provision of the Indenture or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of AGM, in any material respect or otherwise in a manner that could adversely affect the payment obligations of the Successor Agency hereunder or the priority accorded to the reimbursement of Policy Costs hereunder. AGM is expressly made a third party beneficiary of the Indenture and each other Related Document.

(j) The Successor Agency covenants to provide to AGM, promptly upon request, any information regarding the Series 2017 Bonds or the financial condition and operations of the Successor Agency as reasonably requested by AGM. The Successor Agency will permit AGM to discuss the affairs, finances and accounts of the Successor Agency or any information AGM may reasonably request regarding the security for the Series 2017 Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable AGM to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice.

(k) Notices and other information to AGM shall be sent to the following address (or such other address as AGM may designate in writing): Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 218621-S.

ARTICLE IV

AMENDMENTS TO SECTIONS 4.01, 4.02 AND 4.03 OF THE INDENTURE

Section 4.01. Amendment to Section 4.01 of the Indenture. Section 4.01 of the Indenture is hereby amended in its entirety to read as follows:

“Section 4.01. Pledge of Pledged Tax Revenues. Except as provided in Section 6.06, the Series 2015 Bonds, the Series 2017 Bonds and all other Parity Debt, shall be secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues. In addition, the Series 2015 Bonds, the Series 2017 Bonds and any other Parity Debt, shall, subject to Section 8.02, be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Redemption Account and the Reserve Account. Such pledge, security interest in and lien shall be for the equal security of the Outstanding Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues and such moneys, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Series 2015 Bonds and the Series 2017 Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Series 2015 Bonds and the Series 2017 Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Series 2015 Bonds and the Series 2017 Bonds without preference, priority or distinction as to security or otherwise of any of the Series 2015 Bonds or the Series 2017 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.”

Section 4.02. Amendment to Section 4.02 of the Indenture. Section 4.02 of the Indenture is hereby amended in its entirety to read as follows:

“Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Pledged Tax Revenues. There has been established a special trust fund known as the “Redevelopment Obligation Retirement Fund,” which shall be held by the Successor

Agency pursuant to Section 34170.5(b) of the California Health and Safety Code. There is hereby established a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture.

The Successor Agency shall take all actions required under the Dissolution Act to include on each ROPS to be submitted after the effective date of this Indenture and prior to December 31, 2017, so as to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency, for deposit into the Redevelopment Obligation Retirement Fund on each RPTTF disbursement date, the following amounts: (i) the interest payment coming due with respect to the Outstanding Bonds during such RPTTF Disbursement Period, (ii) for ROPS which covers payment from January through June of any calendar year, at least one-half of the principal amount coming due with respect to the Bonds on October 1st of such calendar year (the "Principal Reserve"), (iii) for ROPS which covers payments from July through December of any calendar year, an amount equal to the principal amount coming due on October 1st of such calendar year, less the Principal Reserve already received in connection with the immediately prior RPTTF disbursement and deposited with the Trustee, and (iv) any amount required under this Indenture to replenish the Reserve Account, if required pursuant to Section 4.03(d) or Section 4.06 of this Indenture (and any provision amendatory thereto as set forth in supplement indentures).

The Successor Agency shall take all actions required under the Dissolution Act to include on each ROPS to be submitted after the effective date of this Indenture, so as to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency, for deposit into the Redevelopment Obligation Retirement Fund on each RPTTF disbursement date, the following amounts: (i) the interest payment coming due with respect to the Outstanding Bonds during such RPTTF Disbursement Period, (ii) for ROPS which covers payment from January through June of any calendar year, at least one-half of the principal amount coming due with respect to the Bonds on October 1st of such calendar year (the "Principal Reserve"), (iii) for ROPS which covers payments from July through December of any calendar year, an amount equal to the principal amount coming due on October 1st of such calendar year, less the Principal Reserve already received in connection with the immediately prior RPTTF disbursement and deposited with the Trustee, and (iv) any amount required under this Indenture to replenish the Reserve Account, if required pursuant to Section

4.03(d) or Section 4.06 of this Indenture (and any provision amendatory thereto as set forth in supplement indentures).

The Successor Agency shall deposit all of the Pledged Tax Revenues received from each distribution of Pledged Tax Revenues in any Bond Year commencing on the first day of such Bond Year from the RPTTF in accordance with the Dissolution Act for the purpose of paying debt service on the Series 2015 Bonds, the Series 2017 Bonds and any other Parity Debt in the Redevelopment Obligation Retirement Fund immediately upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account and the Reserve Account in each six month period of such Bond Year pursuant to Section 4.03 of this Indenture and for deposit in each such six month period of each Bond Year in the funds and accounts established with respect to other Parity Bonds, as provided in any Supplemental Indenture.”

Section 4.03. Amendment to Section 4.03(f) of the Indenture. Section 4.03(f) of the Indenture is hereby amended in its entirety to read as follows:

“Section 4.03(f). Equal Rights. It is the intention of the Successor Agency that the Series 2015 Bonds, the Series 2017 Bonds and Parity Debt shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Retirement Fund on an equal basis. To the extent that moneys deposited in the Redevelopment Obligation Retirement Fund are insufficient to pay debt service on the Series 2015 Bonds, the Series 2017 Bonds and Parity Debt as it becomes due, the Series 2015 Bonds, the Series 2017 Bonds and Parity Debt shall be payable on a pro-rata basis from all available moneys deposited in the Redevelopment Obligation Retirement Fund. Additionally, any moneys which remain in the Debt Service Fund after payment of principal of and interest on the Bonds shall be used to pay AGM for any other unpaid advances under the Reserve Policy and the Series 2017 Reserve Policy and other amounts as provided by Section 4.06 of the Indenture and Section 3.05 of the First Supplemental Indenture.”

ARTICLE V

AMENDMENT TO OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Amendment to Section 5.01 of the Indenture. Section 5.01 of the Indenture is hereby amended in its entirety to read as follows:

“Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Series 2015 Bonds, the Series 2017 Bonds and Parity Debt in strict conformity with the terms of the Series 2015 Bonds, the Series 2017 Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Series 2017 Continuing Disclosure Certificate, if any, executed and delivered by the Successor Agency. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Series 2017 Continuing Disclosure Certificate shall not constitute an Event of Default under the Indenture; provided, however, that the Original Purchaser or any Owner or beneficial owner of the Series 2017 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 4.02.

Section 5.03. Amendment to Section 5.03 of the Indenture. Section 5.03 of the Indenture is hereby amended in its entirety to read as follows:

“The Successor Agency hereby covenants that so long as any of the Bonds remain Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations which are otherwise secured on a basis which is senior to the pledge and lien which secures the Bonds. The Successor Agency hereby covenants that it shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues, excepting only the Bonds and Parity Debt, any Subordinate Debt and any obligations entered into pursuant to Section 5.10.”

Section 5.04. Amendment to Section 5.10 of the Indenture. Section 5.10 of the Indenture is hereby amended in its entirety to read as follows:

“Section 5.10. Maintenance of Pledged Tax Revenues. The Successor Agency shall comply with all requirements of the Redevelopment Law to ensure the allocation and payment to it of the Pledged Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State of California. The Successor Agency shall not enter into any agreement with the County or any other governmental unit which would have the effect of reducing the amount of Pledged Tax Revenues available to the Successor Agency for payment of the Bonds. The Successor Agency shall not undertake proceedings for amendment of the Redevelopment Plans or any one or more of the Redevelopment Plans if such amendment shall result in payments to one of more taxing entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law unless the Successor Agency shall first obtain a written opinion of an Independent Redevelopment Consultant that such payments will not adversely impair the Successor Agency’s ability to pay the Series 2015 Bonds, the Series 2017 Bonds and all other Parity Debt. Nothing herein is intended or shall be construed in any way to prohibit or impose any limitations on the entering into by the Successor Agency of any such agreement, amendment or supplement which by its term is subordinate to the payment of the Series 2015 Bonds, the Series 2017 Bonds and all other Parity Debt.

Section 5.05. Amendment to Section 5.11 of the Indenture. Section 5.11 of the Indenture is hereby amended in its entirety to read as follows:

“Section 5.11. Compliance with the Redevelopment Law; Recognized Obligation Payment Schedules. The Successor Agency shall comply with all of the requirements of the Redevelopment Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the Series 2015 Bonds, the Series 2017 Bonds and any other Parity Debt, as well as any amount required under this Indenture to replenish the Reserve Accounts of the Debt Service Fund, in Recognized Obligation Payment Schedules so as to enable the San Diego County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Agency’s Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective RPTTF

Disbursement Period. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture and to provide for the payment of principal and interest under this Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture for the next payment due thereunder and hereunder in the following six-month period.

With respect to Recognized Obligation Payment Schedules, if any amounts payable to AGM are not included on the then-current Recognized Obligation Payment Schedule, the Successor Agency shall amend such Recognized Obligation Payment Schedule to the extent permitted by law. The Successor Agency will not submit the final amendment to a “last and final” Recognized Obligation Payment Schedule without AGM’s consent unless all amounts that could become due to AGM are included as a line item on the Last and Final Recognized Obligation Payment Schedule, as amended.”

Section 5.06. Amendment to Section 5.13 of the Indenture. Section 5.13 of the Indenture is hereby amended in its entirety to read as follows:

“Section 5.13. Plan Limitations; Annual Review of Pledged Tax Revenues. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Tax Revenues available under the Plan Limitations in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the Series 2015 Bonds, the Series 2017 Bonds and any other Parity Debt when due.

Additionally, the Successor Agency hereby covenants that, if it is determined that the Plan Limitations apply to the Successor Agency, it will annually review, no later than December 1 of each year, the total amount of tax increment revenue remaining available to be received by the Successor Agency under the Plan Limitations, as well as future cumulative Annual Debt Service, any obligations of the Successor Agency payable from tax increment revenues that are senior to the Series 2015 Bonds, and payments on obligations that are subordinate to the Series 2015 Bonds, the Series 2017 Bonds and any other Parity Debt. If, based on such review, the allocation of tax increment revenues to the Successor

Agency in any of the next three succeeding Fiscal Years will cause an amount equal to ninety-five (95%) of the amount remaining under the Plan Limitations to fall below the sum of (i) remaining cumulative Annual Debt Service, (ii) any obligations of the Successor Agency payable from tax increment revenues that are senior to the Series 2015 Bonds and the Series 2017 Bonds, and (iii) payments on obligations that are subordinate to the Series 2015 Bonds, the Series 2017 Bonds and any other Parity Debt, the Successor Agency shall either (1) defease Series 2015 Bonds, Series 2017 Bonds or other Parity Debt by depositing an amount of Pledged Tax Revenues equal to the amount that is required to ensure continuing compliance with the first paragraph of this Section 5.13 in a defeasance escrow to be held by the Trustee and to be pledged solely to the payment of debt service on the Series 2015 Bonds, the Series 2017 Bonds or other Parity Debt, which escrow shall be invested in Defeasance Obligations and used for the payment of interest on and principal of and redemption premiums, if any, on the Series 2015 Bonds, the Series 2017 Bonds or other Parity Debt or (2) adopt a plan approved by an Independent Redevelopment Consultant which demonstrates the Successor Agency's continuing ability to pay debt service on the Series 2015 Bonds, the Series 2017 Bonds and other Parity Debt. In determining the amount to be deposited in escrow with the Trustee, the Successor Agency may consider actual interest earnings on the amounts so deposited.

The Trustee shall not be responsible for monitoring or enforcing the requirements of this Section 5.13.”

ARTICLE VI

MISCELLANEOUS

Section 6.01. Benefit of First Supplemental Indenture. Nothing in this First Supplemental Indenture, expressed or implied, is intended to give any person other than the Successor Agency, the Trustee and the Owners of the Series 2017 Bonds, any right, remedy or claim under or by reason of this First Supplemental Indenture. Any covenants, stipulations, promises or agreements in this First Supplemental Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Owners of the Series 2017 Bonds and Trustee.

Section 6.02. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest or any premium on the Series 2017 Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 6.03. Amendment to Section 9.07 of the Indenture. Section 9.07 of the Indenture is hereby amended in its entirety to read as follows:

“Section 9.07. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Successor Agency of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.”

Section 6.04. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this First Supplemental Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this First Supplemental Indenture. The Successor Agency and the Trustee hereby declare that they would have entered into this First Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series 2017 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this First Supplemental Indenture may be held illegal, invalid or unenforceable.

Section 6.05. Governing Law. This First Supplemental Indenture shall be construed and governed in accordance with the laws of the State.

Section 6.06. Execution in Counterparts. This First Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this First Supplemental Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this First Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: 
Executive Director

ATTEST:


Secretary

MUFG UNION BANK, N.A.,
as Trustee

By: _____
Authorized Officer

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this First Supplemental Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this First Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
Executive Director

ATTEST:

Secretary

MUFG UNION BANK, N.A.,
as Trustee

By:  _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2017 BOND

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

**SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY
TAXABLE TAX ALLOCATION REFUNDING BOND, SERIES 2017**

RATE OF INTEREST: MATURITY DATE: ORIGINAL ISSUE [CUSIP:]
DATE:
December 14, 2017

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Successor Agency"), for value received, hereby promises to pay (but only out of the Pledged Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017 Bond, as defined herein (unless this Series 2017 Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Series 2017 Bond is authenticated on or prior to March 15, 2018, in which event it shall bear interest from the Original Issue Date identified above; *provided, however*, that if, at the time of authentication of this Series 2017 Bond, interest is in default on this Series 2017 Bond, this Series 2017 Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on April 1 and October 1 in each year, commencing April 1, 2018 (the "Interest Payment Dates"), until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the principal corporate trust office of MUFG Union Bank, N.A., as trustee (the "Trustee"), in Los Angeles, California or such other location as the trustee may designate. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written

request of the owner of at least \$1,000,000 aggregate principal amount of Series 2017 Bonds, which written request is on file with the Trustee prior to any Record Date, interest on such Series 2017 Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Series 2017 Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the “Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017” (the “Series 2017 Bonds”) of an aggregate principal amount of Forty Seven Million Eight Hundred Thousand Dollars (\$47,800,000) all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued on parity with the Successor Agency’s Series 2015 Bonds (defined below) pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”) and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Redevelopment Law”), and pursuant to an Indenture of Trust, dated as of July 1, 2015 (the “Original Indenture”), by and between the Successor Agency and the Trustee, as modified and supplemented by a First Supplemental Indenture of Trust, dated as of December 1, 2017 (the “First Supplemental Indenture” and together with the Original Indenture, the “Indenture”). The Successor Agency may issue or incur additional Parity Debt, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Refunding Law and the Redevelopment Law for a description of the terms on which the Series 2017 Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Series 2017 Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Series 2017 Bond, by acceptance hereof, assents and agrees. All capitalized terms used herein and not defined herein shall have the meanings given such terms in the Indenture.

The Series 2017 Bonds have been issued by the Successor Agency to refinance redevelopment activities of the Successor Agency. This Series 2017 Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Areas, duly designated redevelopment projects under the laws of the State of California, under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Pledged Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest and premium (if any) on the Series 2017 Bonds, the Successor Agency’s Tax Allocation Refunding Bonds, Series 2015A (the “Series 2015A Bonds”), the Successor Agency’s Taxable Tax Allocation Refunding Bonds, Series 2015B Bonds (the “Series 2015B Bonds” and, together with the Series 2015A Bonds, the “Series 2015 Bonds”) and any such parity obligations. The Series 2017 Bonds, the Series 2015 Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Pledged Tax Revenues which is subordinate to or on a parity with the pledge, security interest and lien on the Pledged Tax Revenues in favor of certain outstanding obligations

of the Successor Agency, as provided in the Indenture. Notwithstanding the foregoing, certain amounts out of Pledged Tax Revenues may be applied for other purposes as provided in the Indenture.

This Series 2017 Bond is not a debt of the County of San Diego, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Series 2017 Bond be payable out of any funds or properties other than the Pledged Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Series 2017 Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Series 2017 Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Series 2017 Bond, or shall reduce the percentages of the Series 2017 Bond owners required to effect any such modification or amendment.

The Series 2017 Bonds maturing on or before October 1, 2027, are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing on and after October 1, 2028 are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 2027, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series 2017 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Series 2017 Bonds designated for redemption at their addresses appearing on the Series 2017 Bond registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2017 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

If this Series 2017 Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

In lieu of redemption of Series 2017 Bonds, amounts on deposit in the Debt Service Fund (as defined in the Indenture) may be withdrawn and used at the direction of the Successor Agency at any time to purchase such Series 2017 Bonds at public or private sale at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any such Series 2017 Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 will be credited toward, and will reduce the par amount of, Series 2017 Bonds required to be redeemed pursuant to the Indenture on the next succeeding October 1 of such year.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Series 2017 Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Series 2017 Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in Los Angeles, California or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2017 Bond. Upon registration of such transfer a new Series 2017 Bond or Series 2017 Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Series 2017 Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law and the laws of the State of California and that the amount of this Series 2017 Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law or any laws of the State of California, and is not in excess of the amount of Series 2017 Bonds permitted to be issued under the Indenture.

This Series 2017 Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this Series 2017 Bond to be executed in its name and on its behalf with the facsimile signature of its Chair and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2017 Bonds described in the within-mentioned Indenture.

Dated: December 14, 2017

MUFG UNION BANK, N.A., *as Trustee*

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Series 2017 Bond and do(es) hereby irrevocably constitute and appoint

_____ attorney,
to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Series 2017 Bond in every particular without alteration or enlargement or any change whatsoever.

**SECOND SUPPLEMENTAL
INDENTURE OF TRUST**

Dated as of July 1, 2025

by and between

SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

as Trustee

Relating to

\$_____

**Successor Agency to the San Marcos Redevelopment Agency
Tax Allocation Refunding Bonds, Series 2025A**

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SECOND SUPPLEMENTAL INDENTURE OF TRUST

This SECOND SUPPLEMENTAL INDENTURE OF TRUST, dated as of July 1, 2025 (the “Second Supplemental Indenture”), by and between the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “Successor Agency”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”), pursuant to and in order to amend and supplement that Indenture of Trust, dated as of July 1, 2015 (the “Original Indenture”), by and between the Successor Agency and the Trustee, as successor to U.S. Bank National Association, as trustee, to provide for the issuance of Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A (the “Series 2025A Bonds”), as previously amended by the First Supplemental Indenture of Trust dated December 1, 2017, by and between the Successor Agency and the Trustee (the “First Supplemental Indenture,” collectively with the Original Indenture and this Second Supplemental Indenture, the “Indenture”).

WITNESSETH:

WHEREAS, the Successor Agency and the Trustee executed and delivered the Original Indenture relating to the Successor Agency’s Tax Allocation Refunding Bonds, Series 2015A which were issued in the aggregate principal amount of \$84,710,000 on July 14, 2015 (the “Series 2015A Bonds” or the “Prior Bonds”) and the Successor Agency’s Tax Allocation Refunding Bonds, Series 2015B which were issued in the aggregate principal amount of \$139,285,000 on July 14, 2015 (the “Series 2015B Bonds”); and

WHEREAS, the Successor Agency and the Trustee executed and delivered the First Supplemental Indenture amending the Original Indenture (as so amended, the “Existing Indenture”) relating to the Successor Agency’s Tax Allocation Refunding Bonds, Series 2017 which were issued in the aggregate principal amount of \$47,800,000 on December 14, 2017 (the “Series 2017 Bonds,” collectively with the Series 2015B Bonds, the “Outstanding Parity Bonds”); and

WHEREAS, pursuant to Section 3.04 of the Original Indenture, the Successor Agency may issue or incur additional Parity Debt (as such term is defined in the Original Indenture) for purposes of refunding any existing debt of the Successor Agency so long as Section 34117.5(a) of the Redevelopment Law has been satisfied; and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law (found at Health and Safety Code Section 33000, *et seq.*) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012, in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Indenture and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5(a)(1) of the Dissolution Act authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law and the Refunding Law of the Series 2025A Bonds in an aggregate principal amount not to exceed \$_____ in order to refund the Prior Bonds; and

[WHEREAS, the Successor Agency will cause the delivery of the Series 2025A Reserve Policy (as defined in Section 1.03 hereto) by the Insurer (as defined in Section 1.03 hereto) to the Trustee on the Closing Date (as defined in Section 1.03 hereto) to satisfy the Reserve Requirement (as defined in Section 1.03 hereto) for the Series 2025A Bonds; and]

WHEREAS, in order to provide for the authentication and delivery of the Series 2025A Bonds, to establish and declare the terms and conditions upon which the Series 2025A Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Second Supplemental Indenture; and

WHEREAS, the Existing Indenture provides that it may be modified or amended at any time by a Supplemental Indenture (as such term is defined in the Existing Indenture), but without the consent of any Owners to provide for the issuance of Parity Debt and to provide the terms and conditions under which such Parity Debt may be issued; and

WHEREAS, the Existing Indenture further provides that it may be modified without the consent of any Owners in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2025A Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Second Supplemental Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Series 2025A Bonds and any other Bonds issued under the Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2025A Bonds and any other Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2025A Bonds and any other Bonds by the Owners thereof,

and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Series 2025A Bonds and any other Bonds, as follows:

ARTICLE I

AUTHORITY AND AMENDMENT OF INDENTURE; DEFINITIONS

Section 1.01. Authority for this Second Supplemental Indenture. This Second Supplemental Indenture is entered into pursuant to the provisions of the Existing Indenture, the Refunding Law and the Redevelopment Law.

Section 1.02. Amendment of Indenture. This Second Supplemental Indenture amends and supplements the Existing Indenture for the purpose of providing for the issuance, execution, authentication and delivery of the Series 2025A Bonds as Parity Debt (as defined in Section 1.01 of the Existing Indenture) and for the purpose of amending the definition of the term Pass-Through Agreements in Section 1.01 of the Existing Indenture. Regardless of the specific provisions of the Indenture, and except as specifically provided in Article II hereof, the terms “Bonds” as used in the Indenture shall refer and be applicable, to the same extent and with the same effect, to the Outstanding Parity Bonds and the Series 2025A Bonds and the term “Owner” shall refer and be applicable, to the same extent and with the same effect, to the Owners of the Outstanding Parity Bonds and the Owners of the Series 2025A Bonds. Unless specifically defined herein, words and terms used herein with initial letters capitalized have the meanings given to them in the Indenture. Except as provided below, the definitions of words and terms set forth in Section 1.01 of the Indenture are applicable for all purposes of this Second Supplemental Indenture. If a word or term used herein and in the Indenture with initial letters capitalized is defined both herein and in the Indenture, the definition contained herein shall amend and supersede the definition contained in the Indenture.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Second Supplemental Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Bond Year” means, with respect to the Series 2025A Bonds, any twelve-month period beginning on October 2 in any year and extending to the next succeeding October 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on October 1, 2025.

“Closing Date” means, with respect to the Series 2025A Bonds, the date on which the Series 2025A Bonds are delivered by the Successor Agency to the Original Purchaser.

“Credit Facility” is amended to mean (i) [the Reserve Policy, (ii) the Series 2025A Reserve Policy or (iii)] an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to the provisions of the Indenture, provided that all of the following requirements are met by the Successor Agency at the time of delivery thereof to the Trustee: (a) the long-term credit rating of

such bank or insurance company is in one of the three highest rating categories by S&P; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the provisions of the Indenture; (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond, at the direction of the Successor Agency, to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to the provisions of the Indenture; and (e) prior written notice is given to the Trustee before the effective date of any such Credit Facility.

“Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2025, by and between the Successor Agency and the Escrow Bank pertaining to the Prior Bonds.

“Escrow Bank” means U.S. Bank Trust Company, National Association, acting in its capacity as the escrow bank pursuant to the Escrow Agreement.

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of December 1, 2017, by and between the Successor Agency and the Trustee, pursuant to and in order to amend and supplement the Original Indenture.

[**“Insurer”** means_____.]

“Interest Payment Date” means, with respect to the Series 2025A Bonds, each April 1 and October 1, commencing [April 1, 2026], for so long as any of the Series 2025A Bonds remain unpaid.

[**“Late Payment Rate”** is amended to mean the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Outstanding Parity Bonds (with respect to the Reserve Policy) and the Series 2025A Bonds (with respect to the Series 2025A Reserve Policy) and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify.]

“Office” is amended to mean, with respect to the Trustee, the designated corporate trust office of the Trustee at which at any time its corporate trust business shall be administered, which is at 1 California Street, Ste 1000, San Francisco, CA 94111, or at such other or additional offices as may be specified by the Trustee in writing to the Successor Agency, or the designated corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time in writing to the Successor Agency), provided that for the purposes of maintenance of the Registration Books and presentation of Bonds for transfer, exchange or payment such term shall mean the office of the Trustee at which it conducts its corporate agency business.

“Original Purchaser” means, with respect to the Series 2025A Bonds, Stifel, Nicolaus & Company, Incorporated, as the original purchaser of the Series 2025A Bonds.

“Outstanding Parity Bonds” mean the Series 2015B Bonds and the Series 2017 Bonds.

“Parity Debt” is amended to mean any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency on parity with the Outstanding Parity Bonds and the Series 2025A Bonds pursuant to Section 3.04 of the Indenture.

“Pass-Through Agreements” is amended to mean certain contractual and statutory obligations secured by a pledge or lien on tax increment revenues superior to the lien securing the Bonds, as set forth in the agreements listed below:

(a) Amended and Restated Agreement regarding Redevelopment Project Areas 1, 2 and 3, dated as of December 12, 2000, by and among Palomar Community College District, the City and the Former Agency;

(b) Agreement for Cooperation, dated as of July 25, 1989, by and among the San Diego County Office of Education, the City and the Former Agency;

(c) Amended Agreement for Cooperation, dated as of April 10, 1990, by and among the County of San Diego, the City and the Former Agency;

(d) Agreement for Cooperation, dated as of August 13, 1985, by and among Olivenhain Municipal Water District, the City and the Former Agency;

(e) Agreement for Cooperation, dated as of May 28, 1985, by and among Palomar Community College District, the City and the Former Agency;

(f) Agreement for Cooperation, dated as of May 14, 1985, by and among the San Marcos Fire Protection District, the City and the Former Agency;

(g) Agreement for Cooperation, dated as of May 14, 1985, by and among San Marcos County Water District (now Vallecitos Water District), the City and the Former Agency;

(h) Settlement Agreement and Mutual Release of Claims, dated as of July 8, 1998, by and among the County of San Diego, the City and the Former Agency;

(i) Agreement for Cooperation, dated as of March 13, 1990, by and among North County Cemetery District, the City and the Former Agency;

(j) Agreement for Cooperation, dated as of February 13, 1991, by and among Palomar Community College District, the City and the Former Agency;

(k) Agreement for Cooperation, dated as of June 13, 1989, by and among Palomar Community College District, the City and the Former Agency;

(l) Agreement for Cooperation, dated as of June 13, 1989, by and among San Marcos Fire Protection District, the City and the Former Agency;

(m) Agreement for Cooperation, dated as of June 13, 1989, by and among Vallecitos Water District, the City and the Former Agency;

(n) Agreement for Cooperation, dated as of June 13, 1989, by and between among the San Marcos Unified School District, the City and the Former Agency, and

(o) Agreement and Cooperation Agreement, dated as of March 14, by and between the San Marcos Unified School District, the City and the Former Agency.

“Pledged Tax Revenues” means all moneys deposited from time to time in the Redevelopment Property Tax Trust Fund as provided in paragraph (2) of subdivision (a) of Section 34183 of the California Health and Safety Code, including all amounts which prior to the adoption of the Dissolution Act were required to be deposited into the Former Agency’s Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Redevelopment Law, but excluding (i) amounts of such taxes required to be paid by the Successor Agency to pay Pass-Through Agreements, including any amounts pledged to repay the Series 2018 Bonds, or pursuant to Section 33607.7 of the Redevelopment Law, except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the Series 2025A Bonds and any Parity Debt, as applicable, and (ii) amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County auditor-controller. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Pledged Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution, subject to the exclusions set forth above.

[**“Policy Costs”** is amended to mean, collectively, repayment of draws on the Reserve Policy, the Series 2025A Reserve Policy and payment of expenses and accrued interest thereon as provided by Section 4.06(a) of the Indenture (with respect to the Reserve Policy) and Section 3.05(a) of this Second Supplemental Indenture (with respect to the Series 2025A Reserve Policy) at the Late Payment Rate.]

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, prepared by the Successor Agency and approved by the Oversight Board and Department of Finance from time to time pursuant to subdivision (o) of Section 34177 of the California Health and Safety Code.

“Redevelopment Property Tax Trust Fund” or **“RPTTF”** means the fund by that name established pursuant to Health & Safety Code Sections 34170.5(b) and 34172(c) and administered by the County auditor-controller.

“Reserve Requirement” means, with respect to the Series 2025A Bonds, as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of the Series 2025A Bonds, (ii) Maximum Annual Debt Service with respect to the Series 2025A Bonds, or (iii)

125% of average Annual Debt Service on the Series 2025A Bonds; provided that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Credit Facility.

“RPTTF Disbursement Period” means the six month fiscal period beginning each January 2 and June 1 of each year.

“Series 2015A Bonds” means the Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A, issued in the initial principal amount of \$84,710,000.

“Series 2015B Bonds” means the Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2015B, issued in the initial principal amount of \$139,285,000.

“Series 2017 Bonds” means the Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017, issued in the initial principal amount of \$47,800,000.

“Series 2018 Bonds” means the Successor Agency to the San Marcos Redevelopment Agency 2018 Pass-Through Tax Revenue Refunding Bonds (Project Area No. 3 – San Marcos Unified School District), issued in the initial principal amount of \$39,815,000.

“Series 2025A Bonds” means the Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A, issued in the initial principal amount of \$_____.

“Series 2025A Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate executed and delivered by the Successor Agency for the benefit of the Owners of the Series 2025A Bonds and any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025A Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2025A Bonds for federal income tax purposes, and in order to assist the Original Purchaser in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Series 2025A Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Successor Agency and related to the authorization, sale and issuance of the Series 2025A Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Trustee including its first annual administration fee, expenses incurred by the Successor Agency in connection with the issuance of the Series 2025A Bonds, fees, expenses, and charges of the Trustee for paying and redeeming the Prior Bonds, underwriter’s discount, original issue discount, legal fees, expenses and charges, including Bond Counsel, Trustee counsel’s, and financial consultant’s fees and expenses, costs of cash flow verification, premiums for any reserve policy the Successor Agency may purchase, rating agency fees, charges for execution, transportation and safekeeping of the Series 2025A Bonds and other costs, charges and fees in connection with the original issuance of the Series 2025A Bonds.

“Series 2025A Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04 hereto.

“Series 2025A Reserve Sub-Account” means the sub-account by that name established and held by the Trustee pursuant to Section 4.03(d) of the Indenture.

[“Series 2025A Reserve Policy” means the municipal bond debt service reserve insurance policy issued by the Insurer deposited into the Series 2025A Reserve Sub-Account securing the Series 2025A Bonds.]

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2025A BONDS

Section 2.01. Authorization and Purpose of Series 2025A Bonds. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2025A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Series 2025A Bonds in the manner and form provided in the Indenture as modified and supplemented by this Second Supplemental Indenture.

The Series 2025A Bonds in the aggregate principal amount of _____ Dollars (\$_____) are hereby authorized to be issued by the Successor Agency under the Refunding Law and the Redevelopment Law as Parity Debt for the purpose of providing funds to refund the Prior Bonds. The Series 2025A Bonds shall be authorized and issued under, and shall be subject to the terms of, the Indenture as modified and supplemented by this Second Supplemental Indenture and the Redevelopment Law. The Series 2025A Bonds shall be designated the “Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A.”

Section 2.02. Terms of the Series 2025A Bonds. The Series 2025A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2025A Bond shall have more than one maturity date. The Series 2025A Bonds shall mature on October 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360 day year comprised of twelve 30-day months) at the rates, as follows:

Maturity Date (October 1)	Principal Amount	Interest Rate
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		

Interest on the Series 2025A Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record

Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of Series 2025A Bonds of the same series in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any Series 2025A Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Office of the Trustee and shall be payable in lawful money of the United States of America.

Each Series 2025A Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before September 15, 2025, in which event it shall bear interest from the Closing Date; *provided, however,* that if, as of the date of authentication of any Series 2025A Bond, interest thereon is in default, such Series 2025A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of Series 2025A Bonds.

(a) Optional Redemption. The Series 2025A Bonds are not subject to optional redemption prior to maturity.

(b) Mandatory Sinking Account Redemption. The Series 2025A Bonds maturing on October 1, 20__, and October 1, 20__, shall also be subject to redemption in whole, or in part by lot, on October 1 in each of the years as set forth in the following tables, from Sinking Account payments made by the Successor Agency pursuant to Section 4.03(c) of the Original Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the succeeding paragraph of this subsection (b), in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however,* that if some but not all of such Series 2025A Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future Sinking Account payments pursuant to this subsection (b) with respect to such Series 2025A Bonds shall be reduced by the aggregate principal amount of such Series 2025A Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Series 2025A Term Bonds Maturing October 1, 20__

**Sinking Account
Redemption Date
(October 1)**

**Principal Amount
To Be Redeemed**

\$

(maturity)

Series 2025A Term Bonds Maturing October 1, 20__

**Sinking Account
Redemption Date
(October 1)**

**Principal Amount
To Be Redeemed**

\$

(maturity)

In lieu of redemption of the Series 2025A Bonds pursuant to the preceding paragraph, amounts on deposit in the Debt Service Fund (to the extent not required to be transferred by the Trustee pursuant to Section 4.03 during the current Bond Year) may also be used and withdrawn at the direction of the Successor Agency at any time for the purchase of such Series 2025A Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Series 2025A Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Series 2025A Bonds required to be redeemed pursuant to this subsection (b) on the next succeeding October 1.

Section 2.04. Form of Series 2025A Bonds. The Series 2025A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by the Indenture.

Section 2.05. Authentication and Delivery of Series 2025A Bonds. The Series 2025A Bonds shall be executed on behalf of the Successor Agency by the signature of City Manager of the City or the Finance Director of the City and the signature of its City Clerk who are in office on the date of execution and delivery of this Second Supplemental Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Series 2025A Bond ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Series 2025A Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Series 2025A Bond shall be the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such Series 2025A Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Series 2025A Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Second Supplemental Indenture, and such certificate of the Trustee shall be conclusive evidence that such Series 2025A Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Second Supplemental Indenture.

Section 2.06. Transfer of Series 2025A Bonds. Subject to the limitations set forth below, any Series 2025A Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2025A Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Series 2025A Bond shall not be permitted by the Trustee during the fifteen (15) day period preceding the selection of Series 2025A Bonds for redemption or if such Series 2025A Bond has been selected for redemption pursuant to Section 2.03 of this Second Supplemental Indenture. Whenever any Series 2025A Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and shall deliver a new Series 2025A Bond for a like aggregate principal amount and of like series and maturity. The Trustee may require the Series 2025A Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Series 2025A Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency. The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the Indenture or under applicable law with respect to any transfer of any interest in any Series 2025A Bond (including any transfers between or among Securities Depository participants or beneficial owners of interests in any Series 2025A Bond) other than to require delivery of such certificates and other documentation or evidence as is expressly required by, and to do so if and when expressly required by the terms of, the Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof. Neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by the Securities Depository.

Section 2.07. Exchange of Series 2025A Bonds. Any Series 2025A Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2025A Bonds of other authorized denominations and of like series and maturity. The Trustee may require the Series 2025A Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Series 2025A Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

Section 2.08. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Series 2025A Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the Successor Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Series 2025A Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Series 2025A Bonds may be initially issued in temporary form exchangeable for definitive Series 2025A Bonds when ready for delivery. The temporary Series 2025A Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Series 2025A Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Series 2025A Bonds. If the Successor Agency issues temporary Series 2025A Bonds it will execute and furnish definitive Series 2025A Bonds without delay, and thereupon the temporary Series 2025A Bonds shall be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Series 2025A Bonds an equal aggregate principal amount of definitive Series 2025A Bonds of authorized denominations. Until so exchanged, the temporary Series 2025A Bonds shall be entitled to the same benefits pursuant to the Indenture as definitive Series 2025A Bonds authenticated and delivered hereunder.

Section 2.10. Series 2025A Bonds Mutilated, Lost, Destroyed or Stolen. If any Series 2025A Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Series 2025A Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2025A Bond of like series and tenor in exchange and substitution for the Series 2025A Bond so mutilated, but only upon surrender to the Trustee of the Series 2025A Bond so mutilated. Every mutilated Series 2025A Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Successor Agency. If any Series 2025A Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory and indemnity satisfactory to the Trustee shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2025A Bond of like series and tenor in lieu of and in substitution for the Series 2025A Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Series 2025A Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Series 2025A Bond issued under the provisions of this Section in lieu of any Series 2025A Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Series 2025A Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Second Supplemental Indenture with all other Series 2025A Bonds issued pursuant to this Second Supplemental Indenture.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Series 2025A Bond for which principal has become due for a Series 2025A Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Series 2025A Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

Section 2.11. Book Entry Form.

(a) Original Delivery to Depository. The Series 2025A Bonds shall be initially delivered to DTC in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Series 2025A Bonds. Upon initial delivery, the ownership of each such Series 2025A Bond shall be registered on the Registration Books in the name of Cede & Co., as

nominee (the “Nominee”) of the Depository Trust Company (“Depository”). Except as provided in subsection (c), the ownership of all of the Outstanding Series 2025A Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Series 2025A Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository participant (“Depository System Participant”) or to any person on behalf of which the Successor Agency holds an interest in the Series 2025A Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2025A Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2025A Bond Owner as shown in the Registration Books, of any notice with respect to the Series 2025A Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2025A Bonds to be redeemed in the event the Successor Agency elects to redeem the Series 2025A Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2025A Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series 2025A Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series 2025A Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Series 2025A Bond is registered as the absolute owner of such Series 2025A Bond for the purpose of payment of principal of and premium, if any, and interest on such Series 2025A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2025A Bond, for the purpose of registering transfers of ownership of such Series 2025A Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Series 2025A Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Series 2025A Bonds to the extent of the sum or sums so paid. No person other than a Series 2025A Bond Owner shall receive a Series 2025A Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to the Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2025A Bonds for the Depository’s book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Series 2025A Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2025A Bonds other than the Series 2025A Bond Owners. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with the Indenture, to qualify the Series 2025A Bonds for the Depository’s book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Series 2025A Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Series 2025A Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2025A Bonds, and by surrendering the Series 2025A Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2025A Bonds are to be issued. The Depository, by accepting delivery of the Series 2025A Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Series 2025A Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Series 2025A Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the Series 2025A Bonds that they be able to obtain certificated Series 2025A Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated Series 2025A Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Series 2025A Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Series 2025A Bonds to any Depository System Participant having Series 2025A Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Series 2025A Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2025A Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Series 2025A Bond and all notices with respect to such Series 2025A Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF SERIES 2025A BONDS

Section 3.01. Issuance of Series 2025A Bonds. Upon the execution and delivery of this Second Supplemental Indenture, the Successor Agency shall execute and deliver the Series 2025A Bonds in the aggregate principal amount of \$_____ to the Trustee, and the Trustee shall authenticate and deliver the Series 2025A Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

Section 3.02. Deposit and Application of Proceeds. On the Closing Date, the Original Purchaser shall purchase the Series 2025A Bonds for a purchase price of \$_____ (being the initial aggregate principal amount of the Series 2025A Bonds of \$_____ less original issue discount of \$_____, and less Original Purchaser's discount of \$_____). The Trustee shall forthwith set aside, pay over and deposit such proceeds, less the amount of \$_____ paid to the Insurer by the Original Purchaser, as follows (provided that the details of the receipt and deposit of such proceeds shall be set forth in a closing instruction from the Successor Agency to the Trustee):

(a) Transfer the amount of \$_____ to the Escrow Bank for deposit in the Escrow Fund established pursuant to the Escrow Agreement; and

(b) Deposit the amount of \$_____ in the Series 2025A Costs of Issuance Fund.

The Trustee may establish one or more temporary funds or accounts to facilitate such deposits and transfers.

Section 3.03. Series 2025A Reserve Sub-Account. Pursuant to Section 4.03(d) of the Indenture, there is hereby created and established in the Reserve Account to be maintained by the Trustee, the Series 2025A Reserve Sub-Account. [The Reserve Requirement for the Series 2025A Bonds will be satisfied by the delivery of the Series 2025A Reserve Policy by the Insurer on the Closing Date with respect to the Series 2025A Bonds. The Successor Agency will have no obligation to replace the Series 2025A Reserve Policy or to fund the Series 2025A Reserve Sub-Account with cash if, at any time that the Series 2025A Bonds are Outstanding any rating assigned to the Insurer is downgraded, suspended or withdrawn or amounts are not available under the Series 2025A Reserve Policy other than in connection with a draw on the Series 2025A Reserve Policy. The Series 2025A Reserve Policy will be held in the Series 2025A Reserve Sub-Account as security solely for the Series 2025A Bonds.]

Section 3.04. Series 2025A Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2025A Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Series 2025A Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Series 2025A Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date six months following the Closing Date, or upon the earlier Written Request of the Successor Agency stating that all known Series 2025A Costs of Issuance have been paid, all amounts, if any, remaining in the Series 2025A Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund and the Series 2025A Costs of Issuance Fund shall be closed.

Section 3.05. [Provisions Relating to Series 2025A Reserve Policy. So long as the Series 2025A Reserve Policy remains in force and effect, or any amounts are owed to the Insurer, the following provisions shall govern and control notwithstanding anything to the contrary set forth in the Indenture.

(a) The Successor Agency shall repay any draws under the Series 2025A Reserve Policy and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party, be applied as additional interest for any later periods of time when amounts are outstanding under the Indenture to the extent that interest otherwise due under the Indenture for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied to principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate Policy Costs related to such draw.

The Successor Agency shall take all actions required by the Dissolution Act to ensure that Policy Costs are paid to the Insurer when due, including the submittal of Recognized Obligation Payment Schedules providing for Policy Costs that are payable to the Insurer.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Series 2025A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2025A Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on the Pledged Tax Revenues (subject only to the priority of payment provisions set forth hereunder).

All cash and investments in the Series 2025A Reserve Sub-Account, if any, shall be transferred to the Interest Account, the Principal Account and the Sinking Account for payment of debt service on the Series 2025A Bonds before any drawing may be made on the Series 2025A Reserve Policy or any other Credit Facility deposited to the Series 2025A Reserve Sub-Account. Payment of Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Series 2025A Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2025A Reserve Sub-Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2025A Reserve Sub-Account. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) Upon a failure to pay Policy Costs when due or any other breach of terms of this Section 3.05, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, other than (i) acceleration of the maturity of the Series 2025A Bonds or (ii) remedies which would adversely affect owners of the Series 2025A Bonds.

(c) The Indenture shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Successor Agency's obligation to pay such amounts shall expressly survive payment in full of the Series 2025A Bonds.

(d) The Successor Agency shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test in the Indenture.

(e) The prior written consent of the Insurer shall be a condition precedent to the deposit of any Credit Facility credited to the Series 2025A Reserve Sub-Account established for the Series 2025A Bonds in lieu of a cash deposit into the Series 2025A Reserve Sub-Account. Amounts drawn under the Series 2025A Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2025A Bonds when due.

(f) The Trustee shall ascertain the necessity for a claim upon the Series 2025A Reserve Policy in accordance with the provisions of subparagraph (a) hereof and provide notice to the Insurer in accordance with the terms of the Series 2025A Reserve Policy at least four (4) Business Days prior to each date upon which interest or principal is due on the Series 2025A Bonds. Where deposits are required to be made by the Successor Agency with the Trustee to the Interest Account and the Principal Account for the Series 2025A Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Insurer of any failure of the Successor Agency to make timely payment in full of such deposits within two (2) Business Days of the date due.

(g) The Successor Agency will pay or reimburse the Insurer any and all charges, fees, costs, losses, liabilities and expenses which the Insurer may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Series 2025A Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Indenture or any Related Documents, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Successor Agency) relating to the Indenture or any other Related Document, any party to the Indenture or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations hereunder or any other Related Document, if any, or the pursuit of any remedies hereunder or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver, or other action with respect to, or related to the Indenture, the Series 2025A Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by the Insurer to cure a default or termination or similar event (or to mitigate the effect thereof) hereunder or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Insurer spent in connection with the actions

described in clauses (ii) through (v) above. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Successor Agency shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full.

(h) The obligation of the Successor Agency to pay all amounts due to the Insurer shall be an absolute and unconditional obligation of the Successor Agency and will be paid or performed strictly in accordance with the provisions of this Section 3.05, irrespective of: (i) any lack of validity or enforceability of or any amendment or modifications of, or waiver with respect to the Series 2025A Bonds, the Indenture or any other Related Document; (ii) any amendment or other modification of, or waiver with respect to the Series 2025A Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Series 2025A Bonds, the Indenture or any other Related Documents; (iv) whether or not such Series 2025A Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the Series 2025A Reserve Policy, the Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Successor Agency may have at any time against the Trustee or any other person or entity other than the Insurer, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Series 2025A Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Insurer under the Series 2025A Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Series 2025A Reserve Policy.

(i) The Successor Agency shall fully observe, perform and fulfill each of the provisions (as each of these provisions may be amended, supplemented, modified or waived with the prior written consent of the Insurer) of the Indenture applicable to it. No provision of the Indenture or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of the Insurer, in any material respect or otherwise in a manner that could adversely affect the payment obligations of the Successor Agency hereunder or the priority accorded to the reimbursement of Policy Costs hereunder. The Insurer is expressly made a third party beneficiary of the Indenture and each other Related Document.

(j) The Successor Agency covenants to provide to the Insurer, promptly upon request, any information regarding the Series 2025A Bonds or the financial condition and operations of the Successor Agency as reasonably requested by the Insurer. The Successor Agency will permit the Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information the Insurer may reasonably request regarding the security for the Series 2025A Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice.

(k) Notices and other information to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing): _____
Attn: _____, Re: Policy No. _____.]

ARTICLE IV

AMENDMENTS TO SECTIONS 4.01, 4.02 AND 4.03 OF THE INDENTURE

Section 4.01. Amendment to Section 4.01 of the Indenture. Section 4.01 of the Indenture is hereby amended in its entirety to read as follows:

“Section 4.01. Pledge of Pledged Tax Revenues. Except as provided in Section 6.06, the Outstanding Parity Bonds, the Series 2025A Bonds and all other Parity Debt, shall be secured by a first and exclusive pledge of, security interest in and lien on all of the Pledged Tax Revenues. In addition, the Outstanding Parity Bonds, the Series 2025A Bonds and any other Parity Debt, shall, subject to Section 8.02, be secured by a pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, and the Redemption Account. Additionally, the Series 2025A Bonds shall be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Series 2025A Reserve Sub-Account. Such pledge, security interest in and lien shall be for the equal security of the Outstanding Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues and such moneys, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Outstanding Parity Bonds and the Series 2025A Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Outstanding Parity Bonds and the Series 2025A Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Outstanding Parity Bonds and the Series 2025A Bonds without preference, priority or distinction as to security or otherwise of any of the Outstanding Parity Bonds or the Series 2025A Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.”

Section 4.02. Amendment to Section 4.02 of the Indenture. Section 4.02 of the Indenture is hereby amended in its entirety to read as follows:

“Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Pledged Tax Revenues. There has been established a special trust fund known as the “Redevelopment Obligation Retirement Fund,” which shall be held by the Successor Agency pursuant to Section 34170.5(b) of the California Health and Safety Code. There is hereby established a special trust fund known as the “Debt Service Fund” and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture.

The Successor Agency shall (i) deposit all of the Pledged Tax Revenues received from each distribution of Pledged Tax Revenues in any Bond Year commencing on the first day of such Bond Year in accordance with the Dissolution Act, for the purpose of paying debt service on the Outstanding Parity Bonds, the Series 2025A Bonds and any other Parity Debt, in the Redevelopment Obligation Retirement Fund immediately upon receipt thereof by the Successor Agency, and (ii) promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account and the Reserve Account in such Bond Year pursuant to Section 4.03 of this Indenture and for deposit in the funds and accounts established with respect to other Outstanding Parity Bonds, as provided in any Supplemental Indenture. Any monies remaining in the Debt Service Fund on October 2 of each Bond Year not required for the payment of debt service on the Series 2025A Bonds or any other Outstanding Parity Bonds or any payments required hereunder or required under any Outstanding Parity Bonds instrument may be transferred back to the Successor Agency and used for any legally permissible purposes.”

Section 4.03. Amendment to Section 4.03(f) of the Indenture. Section 4.03(f) of the Indenture is hereby amended in its entirety to read as follows:

“Section 4.03(f). Equal Rights. It is the intention of the Successor Agency that the Outstanding Parity Bonds, the Series 2025A Bonds and all other Parity Debt shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Retirement Fund on an equal basis. To the extent that moneys deposited in the Redevelopment Obligation Retirement Fund are insufficient to pay debt service on the Outstanding Parity Bonds, the Series 2025A Bonds and all other Parity Debt as it becomes due, the Outstanding Parity Bonds, the Series 2025A

Bonds and all other Parity Debt shall be payable on a pro-rata basis from all available moneys deposited in the Redevelopment Obligation Retirement Fund. Additionally, any moneys which remain in the Debt Service Fund after payment of principal of and interest on the Bonds shall be used [to pay AGM and the Insurer for any other unpaid advances under the Reserve Policy and the Series 2025A Reserve Policy and] other amounts as provided by Section 4.06 of the Indenture and Section 3.05 of the Second Supplemental Indenture.”

ARTICLE V

AMENDMENT TO OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Amendment to Section 5.01 of the Indenture. Section 5.01 of the Indenture is hereby amended in its entirety to read as follows:

“Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Outstanding Parity Bonds, the Series 2025A Bonds and all other Parity Debt in strict conformity with the terms of the Outstanding Parity Bonds, the Series 2025A Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Series 2025A Continuing Disclosure Certificate. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Series 2025A Continuing Disclosure Certificate shall not constitute an Event of Default under the Indenture; provided, however, that the Original Purchaser or any Owner or beneficial owner of the Series 2025A Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.02.

Section 5.03. Amendment to Section 5.10 of the Indenture. Section 5.10 of the Indenture is hereby amended in its entirety to read as follows:

“Section 5.10. Maintenance of Pledged Tax Revenues. The Successor Agency shall comply with all requirements of the Redevelopment Law to ensure the allocation and payment to it of the Pledged Tax Revenues, including without limitation the timely

filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State of California. The Successor Agency shall not enter into any agreement with the County or any other governmental unit which would have the effect of reducing the amount of Pledged Tax Revenues available to the Successor Agency for payment of the Bonds. The Successor Agency shall not undertake proceedings for amendment of the Redevelopment Plans or any one or more of the Redevelopment Plans if such amendment shall result in payments to one or more taxing entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law unless the Successor Agency shall first obtain a written opinion of an Independent Redevelopment Consultant that such payments will not adversely impair the Successor Agency's ability to pay the Outstanding Parity Bonds, the Series 2025A Bonds and all other Parity Debt. Nothing herein is intended or shall be construed in any way to prohibit or impose any limitations on the entering into by the Successor Agency of any such agreement, amendment or supplement which by its term is subordinate to the payment of the Outstanding Parity Bonds, the Series 2025A Bonds and all other Parity Debt.

Section 5.04. Amendment to Section 5.11 of the Indenture. Section 5.11 of the Indenture is hereby amended in its entirety to read as follows:

“Section 5.11. Compliance with the Redevelopment Law; Recognized Obligation Payment Schedules. The Successor Agency shall comply with all of the requirements of the Redevelopment Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the Outstanding Parity Bonds, the Series 2025A Bonds and any other Parity Debt, as well as any amount required under this Indenture to replenish the Reserve Account and the subaccounts therein of the Debt Service Fund, in Recognized Obligation Payment Schedules so as to enable the San Diego County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective RPTTF Disbursement Period. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the

amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture and to provide for the payment of principal and interest under this Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture for the next payment due thereunder and hereunder in the following six-month period.

In order to accomplish the foregoing, not later than February 1 of each year, so long as any Series 2025A Bonds or Parity Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the San Diego County Auditor-Controller that provides for the distribution of the following amounts:

(a) for distribution on June 1, half of the amount of annual debt service coming due and payable in the following fiscal year on all Outstanding Series 2025A Bonds and all other Outstanding Parity Bonds;

(b) for distribution on January 2, the remaining amount of annual debt service coming due and payable in the following fiscal year on all Outstanding Series 2025A Bonds and all other Outstanding Parity Bonds;

(c) any amounts required to replenish the Reserve Account (and the subaccounts therein) and any reserve accounts established pursuant to any Outstanding Parity Bonds instrument; and

[(d) any amounts due and owing to any provider of a municipal bond insurance policy, financial guaranty insurance policy or debt service reserve policy with respect to the Series 2025A Bonds or any other Parity Debt, including AGM and the Insurer.]

[With respect to Recognized Obligation Payment Schedules, if any amounts payable to AGM or the Insurer are not included on the then-current Recognized Obligation Payment Schedule, the Successor Agency shall amend such Recognized Obligation Payment Schedule to the extent permitted by law. The Successor Agency will not submit the final amendment to a “last and final” Recognized Obligation Payment Schedule without the consent of AGM and the Insurer unless all amounts that could become due to

AGM and the Insurer are included as a line item on the Last and Final Recognized Obligation Payment Schedule, as amended.”]

Section 5.05. Tax Covenants Relating to the Series 2025A Bonds

(a) Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the Series 2025A Bonds are not so used as to cause the Series 2025A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2025A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2025A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series 2025A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Series 2025A Bonds from the gross income of the Owners of the Series 2025A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date. This covenant shall remain in full force and effect following defeasance of the Series 2025A Bonds pursuant to Section 9.03.

(e) Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2025A Bonds.

The Trustee shall have no duty to monitor the compliance by the Successor Agency with any of the covenants contained in this Section 5.06.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Benefit of Second Supplemental Indenture. Nothing in this Second Supplemental Indenture, expressed or implied, is intended to give any person other than the Successor Agency, the Trustee and the Owners of the Series 2025A Bonds, any right, remedy or claim under or by reason of this Second Supplemental Indenture. Any covenants, stipulations, promises or agreements in this Second Supplemental Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Owners of the Series 2025A Bonds and Trustee.

Section 6.02. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest or any premium on the Series 2025A Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 6.03. Amendment to Section 9.07 of the Indenture. Section 9.07 of the Indenture is hereby amended in its entirety to read as follows:

“Section 9.07. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Successor Agency of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, a certificate of disposal duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the disposal of any such Bonds therein referred to.”

Section 6.04. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Second Supplemental Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Second Supplemental Indenture. The Successor Agency and the Trustee hereby declare that they would have entered into this Second Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series 2025A Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Second Supplemental Indenture may be held illegal, invalid or unenforceable.

Section 6.05. Governing Law. This Second Supplemental Indenture shall be construed and governed in accordance with the laws of the State.

Section 6.06. Execution in Counterparts. This Second Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Second Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and

delivery of this Second Supplemental Indenture as to the parties hereto and may be used in lieu of the original Second Supplemental Indenture and signature pages for all purposes.

Section 6.07. Trustee Disclaimer. The Trustee accepts the amendments of the Original Indenture and First Supplemental Indenture effected by this Second Supplemental Indenture, but on the terms and conditions set forth in the Original Indenture and First Supplemental Indenture, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Successor Agency, or for or with respect to (i) the validity or sufficiency of this Second Supplemental Indenture or any of the terms or provisions hereof, (ii) the proper authorization hereof by the Successor Agency by action or otherwise, (iii) the due execution hereof by the Successor Agency or (iv) the consequences of any amendment herein provided for, and the Trustee makes no representation with respect to any such matters.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this Second Supplemental Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Second Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
City Manager

ATTEST:

City Clerk

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

FORM OF SERIES 2025A BOND

\$_____

**SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BOND, SERIES 2025A**

PRINCIPAL AMOUNT: _____ DOLLARS

61012.00019\43061350.4

on file with the Trustee prior to any Record Date, interest on such Series 2025A Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Series 2025A Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the “Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A” (the “Series 2025A Bonds”) of an aggregate principal amount of _____ Dollars (\$_____) all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued on parity with the Successor Agency’s Outstanding Parity Bonds (defined below) pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”) and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Redevelopment Law”), and pursuant to the Indenture of Trust dated July 1, 2015 by and between the Successor Agency and U.S. Bank Trust Company, National Association. The Successor Agency may issue or incur additional Parity Debt, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Refunding Law and the Redevelopment Law for a description of the terms on which the Series 2025A Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Series 2025A Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Series 2025A Bond, by acceptance hereof, assents and agrees. All capitalized terms used herein and not defined herein shall have the meanings given such terms in the Indenture.

The Series 2025A Bonds have been issued by the Successor Agency to refinance redevelopment activities of the Successor Agency. This Series 2025A Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Areas, which are duly designated redevelopment projects under the laws of the State of California, under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Pledged Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest and premium (if any) on the Series 2025A Bonds, the Successor Agency’s Tax Allocation Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), the Successor Agency’s Tax Allocation Refunding Bonds, Series 2015B Bonds (the “Series 2015B Bonds” and, together with the Series 2017 Bonds, the “Outstanding Parity Bonds”) and any such parity obligations. The Series 2025A Bonds, the Outstanding Parity Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Pledged Tax Revenues which is subordinate to or on a parity with the pledge, security interest and lien on the Pledged Tax Revenues in favor of certain outstanding obligations of the Successor Agency, as provided in the Indenture. Notwithstanding the foregoing, certain amounts out of Pledged Tax Revenues may be applied for other purposes as provided in the Indenture.

This Series 2025A Bond is not a debt of the County of San Diego, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Series 2025A Bond be payable out of any funds or properties other than the Pledged Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Series 2025A Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Series 2025A Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Series 2025A Bond, or shall reduce the percentages of the Series 2025A Bond owners required to effect any such modification or amendment.

The Series 2025A Bonds are not subject to optional redemption prior to maturity. The Series 2025A Bonds maturing on October 1, 20__ and October 1, 20__ are subject to mandatory sinking account redemption, in part by lot on October 1 in each year as set forth in the Second Supplemental Indenture.

In lieu of redemption of Series 2025A Bonds, amounts on deposit in the Debt Service Fund (as defined in the Indenture) may be withdrawn and used at the direction of the Successor Agency at any time to purchase such Series 2025A Bonds at public or private sale at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any such Series 2025A Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 will be credited toward, and will reduce the par amount of, Series 2025A Bonds required to be redeemed pursuant to the Indenture on the next succeeding October 1 of such year.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Series 2025A Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Series 2025A Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said designated corporate trust office of the Trustee in Los Angeles, California or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2025A Bond. Upon registration of such transfer a new Series 2025A Bond or Series 2025A Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Series 2025A Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law and the laws of the State of California and that the amount of this Series 2025A Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law or any laws of the State of California, and is not in excess of the amount of Series 2025A Bonds permitted to be issued under the Indenture.

This Series 2025A Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this Series 2025A Bond to be executed in its name and on its behalf with the facsimile signature of its City Manager and attested to by the facsimile signature of its City Clerk, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
City Manager

ATTEST:

City Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2025A Bonds described in the within-mentioned Indenture.

Dated: July 3, 2025

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, *as Trustee*

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Series 2025A Bond and do(es) hereby irrevocably constitute and appoint

_____ attorney, to
transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Series 2025A Bond in every particular without alteration or enlargement or any change whatsoever.

\$(PAR)
SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2025A

BOND PURCHASE AGREEMENT

[Pricing Date]

Successor Agency to the
San Marcos Redevelopment Agency
One Civic Center Drive
San Marcos, California 92069
Attention: Executive Director

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with the exhibits hereto, is referred to as this “Purchase Agreement”) with the Successor Agency to the San Marcos Redevelopment Agency (the “Successor Agency”), which will be binding upon the Successor Agency and the Underwriter upon the acceptance hereof by the Successor Agency. This offer is made subject to acceptance by the Successor Agency by execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 6:00 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Successor Agency at any time prior to the acceptance hereof by the Successor Agency. Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Indenture of Trust, dated as of July 1, 2015, by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor trustee (in such capacity, the “Trustee”), as amended and supplemented by the First Supplemental Indenture of Trust, dated December 1, 2017, by and between the Successor Agency and the Trustee, and as amended and supplemented by the Second Supplemental Indenture of Trust, dated as of July 1, 2025 (the “Second Supplemental Indenture”), by and between the Successor Agency and the Trustee (as so amended and supplemented, the “Indenture”).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Successor Agency, and the Successor Agency hereby agrees to issue, sell and deliver to the Underwriter, all (but not less than all) of the Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A, in the aggregate principal amount of \$(PAR) (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on [April 1, 2026] and each April 1 and October 1 thereafter, and will mature, bear interest and be subject to redemption prior to maturity as set forth in Exhibit A. The purchase price of the Bonds shall be equal to \$[] (being the aggregate principal amount thereof [plus][less] a [net] original issue [premium][discount] of \$[], less an underwriter’s discount of \$[]). The Successor Agency acknowledges that the Underwriter will on the Closing Date (as such term is defined herein), on behalf of the Successor Agency, wire a portion of the

purchase price in the amount of \$[_____] representing the premiums for the 2025 Reserve Policy and the 2025 Insurance Policy (as such terms are defined herein), directly to [_____] (the “Insurer”).

Section 2. The Bonds. The Bonds shall be secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues and a first and exclusive pledge of, security interest in and lien upon certain funds and accounts held by the Trustee as provided in the Indenture, on a parity with the Successor Agency’s Tax Allocation Refunding Bonds, Series 2015B and the Successor Agency’s Tax Allocation Refunding Bonds, Series 2017 (the “Outstanding Parity Bonds”). The Bonds shall be as described in, and shall be secured under and pursuant to the Indenture substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Successor Agency and the Underwriter.

The proceeds of the Bonds shall be used by the Successor Agency to (i) refund all of the outstanding Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A (the “Prior Bonds”), (ii) pay the premium for a debt service reserve insurance policy to be issued by the Insurer guaranteeing certain payments into the reserve account with respect to the Bonds (the “2025 Reserve Policy”), and (iii) pay other costs of issuance of the Bonds, including the premium for a municipal bond insurance policy to be issued by the Insurer insuring the Bonds [maturing on October 1, 20__ through October 1, 20__, inclusive] (the “2025 Insurance Policy”).

The Prior Bonds will be refunded pursuant to an Escrow Deposit and Trust Agreement, dated as of July 1, 2025 (the “Escrow Agreement”), between the Successor Agency and U.S. Bank Trust Company, National Association, as escrow bank (in such capacity, the “Escrow Bank”) and as Trustee.

The Bonds were (i) authorized to be issued by Resolution No. ____ adopted by the Successor Agency on [March 11], 2025 (the “Successor Agency Bond Resolution”), (ii) authorized to be issued by Resolution No. ____ of the San Diego Countywide Oversight Board, adopted on [April 17], 2025 (the “Oversight Board Resolution”), and (iii) approved by the Department of Finance of the State of California (the “Department of Finance”) pursuant to a letter dated [____], 2025 (the “DOF Letter”).

The Successor Agency will undertake pursuant to the provisions of a [Continuing Disclosure Certificate], to be dated the date of the Closing (the “Continuing Disclosure Certificate”) and executed by the Successor Agency and [____], as dissemination agent, to provide certain annual information and notices of the occurrence of certain events. A description of the undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement (as hereinafter defined).

The Indenture, the Continuing Disclosure Certificate, the Escrow Agreement and this Purchase Agreement are sometimes collectively referred to herein as the “Successor Agency Documents.”

Section 3. Public Offering and Establishment of Issue Price.

(a) The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth in Exhibit A and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Successor Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to

this Purchase Agreement is an arm's-length commercial transaction between the Successor Agency, on one hand, and the Underwriter, on the other; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Successor Agency on other matters); (iv) the Underwriter has financial and other interests that differ from those of the Successor Agency; and (v) the Successor Agency has consulted its own legal, financial and other advisors to the extent that it has deemed appropriate.

(b) The Underwriter agrees to assist the Successor Agency in establishing the issue price of the Bonds and shall execute and deliver to the Successor Agency at Closing (as defined below) an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form set forth in Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Successor Agency and Bond Counsel (as such term is defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Successor Agency under this Section to establish the issue price of the Bonds may be taken on behalf of the Successor Agency by the Successor Agency's municipal advisor, Fieldman, Rolapp & Associates, Inc., as municipal advisor (the "Municipal Advisor") and any notice or report to be provided to the Successor Agency may be provided to the Successor Agency's Municipal Advisor.

(c) Except as otherwise set forth in Exhibit A, the Successor Agency will treat the first price at which 10% of each maturity of the Bonds (the "10% test"), identified under the column "10% Test Used" in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Successor Agency the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Successor Agency the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until either: (i) the Underwriter has sold all of the Bonds of that maturity; or (ii), the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the Successor Agency or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. For clarity, and notwithstanding any other condition to Closing set forth in this Purchase Agreement, the sale of 10% of each maturity of the Bonds to the public prior to the Closing Date shall not be a condition to Closing.

(d) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Successor Agency and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Successor Agency to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-

offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Successor Agency promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter; (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Successor Agency acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-

party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Successor Agency further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Successor Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

Section 4. The Official Statement. By its acceptance of this proposal, the Successor Agency ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the preliminary Official Statement relating to the Bonds dated [POS Date] (including the cover page, all appendices and all information incorporated therein and any other supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that an authorized officer of the Successor Agency deemed “final” as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for certain information that is permitted to be omitted therefrom by Rule 15c2-12. The Successor Agency agrees to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all

information that was previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Successor Agency and the Underwriter (the “Official Statement”) in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

The Successor Agency authorized distribution of the Preliminary Official Statement and preparation and distribution of the Official Statement pursuant to a resolution adopted on [May 13], 2025 (the together with the Successor Agency Bond Resolution, the “Successor Agency Resolutions”).

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Successor Agency with final pricing information on the Bonds on a timely basis; and (ii) to file a copy of the Official Statement, including any supplements prepared by the Successor Agency in accordance with MSRB rules with the MSRB at <http://emma.msrb.org>. The Successor Agency hereby approves of the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Successor Agency will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

Section 5. Closing. At 8:30 a.m., California time, on [Closing Date], or at such other time or date as the Successor Agency and the Underwriter agree upon (the “Closing Date”), the Successor Agency shall deliver or cause to be delivered to the Trustee, the Bonds, in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), so that the Bonds may be authenticated by the Trustee and credited to the account specified by the Underwriter under DTC’s FAST procedures. Concurrently with the delivery of the Bonds, the Successor Agency will deliver the documents hereinafter mentioned at the offices of Best Best & Krieger, LLP, Riverside, California (“Bond Counsel”), or another place to be mutually agreed upon by the Successor Agency and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Successor Agency acknowledges that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the Successor Agency. The Successor Agency represents, warrants and covenants to the Underwriter that, as of the date hereof:

(a) The Successor Agency is a public entity existing under the laws of the State of California (the “State”), and is authorized, among other things, to (i) issue the Bonds, and (ii) secure the Bonds in the manner contemplated by the Indenture.

(b) The Successor Agency has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Successor Agency Documents.

(c) By all necessary official action at regular meetings of the Successor Agency that were duly noticed and held, the Successor Agency has adopted the Successor Agency Resolutions, has duly authorized and approved the issuance of the Bonds and the execution of the Successor Agency Documents, has duly authorized and approved the Preliminary Official Statement, will, by execution thereof, duly authorize and approve the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Successor Agency of the obligations on its part contained in, the Successor Agency Documents and the consummation by it of all other transactions contemplated by the Successor Agency Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Successor Agency Documents will constitute the legally valid and binding obligations of the Successor Agency enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against public agencies in the State. The Successor Agency has complied, and will at the Closing be in compliance in all material respects, with the terms of the Successor Agency Documents.

(d) The Successor Agency is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Successor Agency is a party which breach or default has or may have a materially adverse effect on the ability of the Successor Agency to perform its obligations under the Successor Agency Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Successor Agency Documents, if applicable, and compliance with the provisions on the Successor Agency's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Successor Agency is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Successor Agency or under the terms of any such law, regulation or instrument, except as may be provided by the Successor Agency Documents.

(e) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction over the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Successor Agency of its obligations in connection with the Successor Agency Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Preliminary Official Statement was as of its date and at the date hereof, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and

including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement did not as of its date and at the date hereof, and the Official Statement does not and will not, at all times subsequent to the date of the Official Statement up to and including the Closing, contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Official Statement under the captions [“UNDERWRITING”], information regarding DTC and its book-entry only system, and information regarding the Insurer, the 2025 Reserve Policy and the 2025 Insurance Policy, as to which no view is expressed).

(g) The Successor Agency will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The Successor Agency will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(h) As of the time of acceptance hereof, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the Successor Agency having been accomplished, or threatened in writing to the Successor Agency: (i) in any way questioning the corporate existence of the Successor Agency or the titles of the officers of the Successor Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, the payment or collection of Pledged Tax Revenues or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the Successor Agency Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Successor Agency or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Successor Agency; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) To the Successor Agency's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(i).

(j) Until the date which is twenty-five (25) days after the end of the underwriting period, if any event shall occur of which the Successor Agency is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book entry only system, and information regarding the Insurer, the 2025 Reserve Policy and the 2025 Insurance Policy, and, as to which no view is expressed), the Successor Agency shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented

will not be misleading in light of the circumstances existing at such time and the Successor Agency shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term “end of the underwriting period” means the later of such time as: (i) the Successor Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the end of the underwriting period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered by the Underwriter to the Successor Agency at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the end of the underwriting period.

(k) Except as disclosed in the Preliminary Official Statement and the Official Statement, neither the Successor Agency nor any of its related entities, including the City of San Marcos, have within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events specified in such rule.

(l) The Successor Agency will refrain from taking any action, or permitting any action to be taken, with regard to which the Successor Agency may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(m) The financial statements of the Successor Agency as of [June 30, 2024] attached as Appendix [___] to the Preliminary Official Statement and the Official Statement fairly represent the receipts, expenditures and cash balances of the Successor Agency. Except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Successor Agency or in its operations since [June 30, 2024] and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(n) To the extent required by law, the Successor Agency will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A form of the Continuing Disclosure Certificate is set forth in Appendix [___] to the Preliminary Official Statement and will also be set forth in the Official Statement.

(o) Between the date of this Purchase Agreement and twenty-five (25) days after the end of the underwriting period, the Successor Agency will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Pledged Tax Revenues.

(p) Any certificate signed by any officer of the Successor Agency authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Successor Agency to the Underwriter as to the statements made therein but not of the person signing such certificate.

(q) The Oversight Board has duly adopted the Oversight Board Resolution approving the Successor Agency Bond Resolution and the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(r) Pursuant to the DOF Letter, the Department of Finance has approved the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, the Successor Agency is not aware of the Department of Finance directing or having any basis to direct the Auditor-Controller of the County of San Diego to deduct unpaid unencumbered funds from future allocations of property tax to the Successor Agency pursuant to Section 34183 of the Dissolution Act.

Section 7. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Successor Agency contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Successor Agency, as well as authorized representatives of Bond Counsel, the Trustee and others made in any certificates or other documents furnished pursuant to the provisions hereof; to the performance by the Successor Agency of its obligations to be performed under the Successor Agency Documents at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties and covenants of the Successor Agency contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) At the time of Closing, the Successor Agency Documents shall be in full force and effect as valid and binding agreements between the parties thereto, and the Successor Agency Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no material default shall have occurred or be existing under the Successor Agency Documents or any other agreement or document pursuant to which any of the financial obligations of the Successor Agency were executed and delivered, and the Successor Agency shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would materially adversely impact the ability of the Successor Agency to pay debt service on the Bonds.

(d) In recognition of the desire of the Successor Agency and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Successor Agency prior to delivery of and payment for the Bonds, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(A) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have

been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds;

(B) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(C) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of U.S. Securities and Exchange Commission (“SEC”) or any other governmental authority having jurisdiction; or

(D) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(E) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Successor Agency shall have occurred; or

(F) any rating of the Bonds or Outstanding Parity Bonds shall have been downgraded, withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(ii) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Successor Agency refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as

so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(iii) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(iv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(v) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(vi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939; or

(vii) the commencement of any action, suit or proceeding described in Section 6(i) of this Purchase Agreement.

Subject to Section 16 of this Purchase Agreement, upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the Successor Agency and the Underwriter under this Purchase Agreement shall terminate, without further liability.

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) Certified copies of the Successor Agency Resolutions and the Oversight Board Resolution;

(ii) The Successor Agency Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iii) Specimen Bonds;

(iv) The approving opinion of Bond Counsel dated the Closing Date and addressed to the Successor Agency, in substantially the form attached as Appendix [] to the Official Statement, and a reliance letter or letters thereon addressed to the Underwriter, the Insurer and the Trustee;

(v) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter and the Insurer, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions [“INTRODUCTION,” “PLAN OF FINANCE” “THE SERIES 2025 BONDS,” “SECURITY FOR THE BONDS,” and “OTHER INFORMATION – Tax Matters,”] and in Appendices [] and [], excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Successor Agency Documents and Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially issued;

(B) This Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Successor Agency and constitute the valid, legal and binding agreements of the Successor Agency, enforceable in accordance with their respective terms, except that the rights and obligations under the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State; and

(C) The Bonds are exempt from registration requirements pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vi) The Preliminary Official Statement, and the Official Statement executed by an authorized officer of the Successor Agency;

(vii) Specimen Bonds;

(viii) Evidence that the ratings on the Bonds are described in the Official Statement;

(ix) A certificate, dated the Closing Date, signed by a duly authorized officer of the Successor Agency, satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Successor Agency Resolutions were duly adopted at regular meetings of the Successor Agency held on [March 11], 2025 and [May 13], 2025, at which a quorum was present and acting throughout, are in full force and effect as of the date hereof and have not been amended, modified or supplemented, except as agreed to by the Underwriter;

(B) the representations, warranties and covenants of the Successor Agency contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the Successor Agency, and the Successor Agency has complied with, in all material respects, all of the terms and conditions of the Purchase Agreement required to be complied with by the Successor Agency at or prior to the Closing Date;

(C) no event affecting the Successor Agency has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which

it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(D) the information and statements contained in the Official Statement (other than information in the Official Statement under the caption [“UNDERWRITING”] and information regarding DTC and its book-entry only system, and information regarding the Insurer, the 2025 Reserve Policy and the 2025 Insurance Policy) did not as of its date and does not as of the Closing contain an untrue statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(E) the Successor Agency is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Successor Agency is a party or is otherwise subject, which would have a material adverse impact on the Successor Agency’s ability to perform its obligations under the Successor Agency Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;

(F) the refunding of the Prior Bonds with the proceeds of the Bonds will achieve debt service savings in compliance with the parameters set forth in Section 34177.5(a) of the Health and Safety Code of the State in that (i) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds does not exceed the total remaining interest cost to maturity on the Prior Bonds plus the remaining principal amount of the Prior Bonds, and (ii) the principal amount of the Bonds does not exceed the amount required to defease the Prior Bonds, to establish customary debt service reserves, and to pay related costs of issuance, as evidenced by the pertinent debt service schedules attached to such certificate; and

(G) all costs of issuance being paid from proceeds constitute related costs of issuance within the meaning of Section 34177.5(a) of the Health and Safety Code and all Costs of Issuance are properly chargeable to the Bonds in accordance with proper governmental accounting principles;

(x) An opinion dated the Closing Date and addressed to the Underwriter and the Insurer, of Lounsbery Ferguson Altona & Peak, LLP, as counsel to the Successor Agency, to the effect that:

(A) the Successor Agency is a public body, duly existing under the law of the State;

(B) the Successor Agency Resolutions were duly adopted at regular meetings of the governing board of the Successor Agency which were called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout, are in full force and effect and have not been modified, amended, rescinded or repealed since their respective date of adoption;

(C) the Successor Agency has full right and lawful authority to execute and deliver the Successor Agency Documents and such documents have been duly authorized, executed

and delivered by and on behalf of the Successor Agency, and assuming the due authorization, execution and delivery by the other parties thereto, the Successor Agency Documents are valid and binding obligations of the Successor Agency enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting creditors' rights generally;

(D) the information in the Preliminary Official Statement and the Official Statement under the captions [“_____”] insofar as such statements purport to summarize information with respect to the Successor Agency, the Project Areas, the Pledged Tax Revenues, and the tax sharing and other obligations with respect to the Project Areas, fairly and accurately summarizes the information presented therein;

(E) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, to the best knowledge of our knowledge, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the Successor Agency or, to our knowledge, threatened in writing against the Successor Agency, challenging the creation, organization or existence of the Successor Agency, or the validity of the Successor Agency Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the Successor Agency to enter into or perform its obligations under the Successor Agency Documents, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the availability of Pledged Tax Revenues, or which, in any manner, questions the right of the Successor Agency to enter into Successor Agency Documents, and perform its obligations under the Successor Agency Documents;

(F) without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to our attention which would lead us to believe that the Preliminary Official Statement and its date and as of the [Pricing Date] and the Official Statement as of its date and as of the Closing Date (excluding therefrom the financial information and the statistical data included thereon included in the Preliminary Official Statement and the Official Statement, as to which no opinion is expressed) contain any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading;

(G) insofar as it will have a material adverse effect on the ability of the Successor Agency to enter into, carry out or perform its obligations under the Successor Agency Documents or to consummate the transactions contemplated thereby, to the best of our knowledge, the Successor Agency is not in material breach of or default under any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Successor Agency is a party or to which the Successor Agency or any of its property or assets is otherwise subject, and, to the best of our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such judgment, decree, or instrument; and

(H) no authorization, approval, consent, or order of any governmental agency or, to the best of our knowledge, any other person or corporation is required for the valid authorization, execution and delivery of the Successor Agency Documents on behalf of the Successor Agency that has not been obtained.

(xi) A letter of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, as disclosure counsel to the Successor Agency, dated the Closing Date and addressed to the Underwriter, to the effect that they are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and in the Official Statement and make no representation that they have independently verified the accuracy, completeness or fairness of any such statements; however, in connection with the Preliminary Official Statement and the Official Statement, they have reviewed certain documents and have participated in conferences in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. During the course of their work on this matter, no facts have come to their attention that have caused them to believe that the Preliminary Official Statement as of its date and the date hereof and the Official Statement as of its date or the Closing Date (except for the following items, which are expressly excluded from the scope of this sentence: any financial, statistical and demographic data, forecasts, numbers, charts, estimates, assumptions, expressions of opinion, information regarding the Insurer, the 2025 Insurance Policy and the 2025 Reserve Policy, and information concerning The Depository Trust Company and the book-entry system for the Bonds, that is contained or incorporated by reference in the Preliminary Official Statement and the Official Statement, and the appendices to the Preliminary Official Statement and the Official Statement) contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xii) An opinion of Anzel Galvan LLP, San Francisco, California, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(xiii) An opinion of counsel to U.S. Bank Trust Company, National Association (the “Bank”), as the Trustee and the Escrow Bank, dated the Closing Date and addressed to the Successor Agency, the Insurer and the Underwriter, substantially to the effect that:

(A) The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture and the Escrow Agreement and to enter into the Second Supplemental Indenture and the Escrow Agreement;

(B) The Second Supplemental Indenture and the Escrow Agreement have been duly authorized, executed and delivered by the Bank and the Indenture and the Escrow Agreement constitute the legal, valid and binding obligations of the Bank enforceable against the Bank in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought;

(C) To such counsel’s knowledge, the execution and delivery by the Bank of the Second Supplemental Indenture and the Escrow Agreement and the performance of the obligations of the Bank under the Indenture and the Escrow Agreement by the Bank, will not conflict with or contravene the Articles of Association or Bylaws of the Bank, or any law, regulation or ruling of any court or governmental authority to which the Bank is subject;

(D) To such counsel’s knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over the Bank that has not been obtained by the Bank is required for the authorization, execution, delivery by the Bank of the

Second Supplemental Indenture and the Escrow Agreement and the performance of the Indenture and the Escrow Agreement by the Bank; and

(E) An authorized representative of the Bank has duly authenticated the Bonds.

(xiv) A certificate, dated the Closing Date, signed by a duly authorized official of the Bank, in form and substance satisfactory to Bond Counsel and the Underwriter, and an incumbency certificate of the Bank;

(xv) For the Bonds, the preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code;

(xvi) A copy of the executed Blanket Issuer Letter of Representations by and between the Successor Agency and DTC relating to the book-entry system;

(xvii) Certificates dated the Closing Date regarding tax, arbitrage and use of proceeds of the Successor Agency relating to the Bonds, in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xviii) A certificate, dated the date of the Preliminary Official Statement, of the Successor Agency, as required under Rule 15c2-12;

(xix) Evidence that a debt management policy which complies with Section 8855 of the Government Code has been adopted by the Successor Agency;

(xx) A certificate dated the Closing Date, signed by a duly authorized officer of the Municipal Advisor, to the effect that the refunding of the Prior Bonds with the proceeds of the Bonds will achieve debt service savings in compliance with the parameters set forth in Section 34177.5(a) of the Health and Safety Code of the State in that (a) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds does not exceed the total remaining interest cost to maturity on the Prior Bonds plus the remaining principal amount of the Prior Bonds, and (b) the principal amount of the Bonds does not exceed the amount required to defease the Prior Bonds, to establish customary debt service reserves, and to pay related costs of issuance, as evidenced by the pertinent debt service schedules attached to such certificate;

(xxi) A certificate dated the Closing Date, signed by a duly authorized officer of 30 Three Sixty Public Finance, as fiscal consultant (the "Fiscal Consultant"), dated the date of the Closing, to the effect that, to the best of its knowledge, the assessed valuations and other fiscal information contained in the Official Statement and the Preliminary Official Statement, including the report of the Fiscal Consultant attached thereto as Appendix [___], are presented fairly and accurately, and consenting to the use of its report as Appendix [___] to the Preliminary Official Statement and the Official Statement;

(xxii) An executed a copy of the DOF Letter;

(xxiii) A certificate of the Successor Agency, dated the Closing Date, certifying that the conditions precedent to the issuance of the Bonds in Section 3.04 of the Indenture have been satisfied.

(xxiv) Evidence satisfactory to the Underwriter that the Trustee has received the 2025 Reserve Policy and the 2025 Insurance Policy from the Insurer;

(xxv) An opinion of counsel to the Insurer, dated the Closing Date, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the 2025 Reserve Policy and the 2025 Insurance Policy, and disclosures relating thereto in the Official Statement;

(xxvi) A certificate of the Insurer, dated the Closing Date, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the 2025 Reserve Policy and the 2025 Insurance Policy, and disclosures relating thereto in the Official Statement;

(xxvii) A defeasance opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, the Bank, and the Insurer, with respect to the Prior Bonds, in form and substance satisfactory to the Underwriter, the Bank, and the Insurer;

(xxviii) A verification report of Causey Demgen & Moore P.C., dated the Closing Date, with respect to the sufficiency of amounts deposited with the Escrow Bank under the Escrow Agreement to defease and redeem the Prior Bonds; and

(xxix) Such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel or the Underwriter may reasonably request.

Section 8. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, or the Successor Agency shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Successor Agency will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The Successor Agency shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the “end of the underwriting period” will be the Closing Date unless the Underwriter notifies the Successor Agency otherwise in writing.

Section 9. Expenses. Whether or not the Bonds are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Successor Agency hereunder. If the Bonds are delivered by the Successor Agency to the Underwriter, the Successor Agency shall pay, from the proceeds of the Bonds or from other funds of the Successor Agency, the following expenses: (a) the cost of preparing, duplicating or printing, mailing and delivering the Successor Agency Documents, the Preliminary Official Statement,

the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof); (b) the cost of preparation and printing of the definitive Bonds; (c) the fees and expenses of the Successor Agency, the Trustee, the Escrow Bank, Bond Counsel, Disclosure Counsel, the Municipal Advisor, any entity retained by the Successor Agency to perform continuing disclosure compliance research or provide continuing disclosure compliance reports and any other experts or consultants retained by the Successor Agency; (d) the charges of any rating agency with respect to the Bonds; (e) premiums and other expenses relating to the 2025 Insurance Policy and the 2025 Reserve Policy; (f) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Bonds, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the Successor Agency and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of the personnel of the Successor Agency, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 9, and (g) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Successor Agency Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) and/or the initial offering, sale and delivery of the Bonds. The Successor Agency has authorized, and does hereby authorize, the Underwriter to pay such expenses on behalf of the Successor Agency from proceeds of the Bonds at Closing as further described in the closing memorandum relating to the Bonds.

If the Bonds are sold to the Underwriter by the Successor Agency, the Successor Agency shall pay out of the proceeds of the Bonds the discount of the Underwriter or the purchase price paid for the Bonds shall reflect such discount.

Except as otherwise provided in this Section 9, the Underwriter shall pay the cost, if any, of qualifying the Bonds for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, not described above including fees and expenses of counsel to the Underwriter.

Section 10. Qualification of Bonds. The Successor Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; provided, however, that the Successor Agency will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

Section 11. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150, Los Angeles, California 90067, Attention: Sara Brown. Any notice or communication to be given to the Successor Agency under this Purchase Agreement may be given by delivering the same in writing to the applicable address set forth on the first page of this Purchase Agreement.

Section 12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Successor Agency and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. Except as expressly set forth

above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Section 13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 14. Entire Agreement. This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

Section 15. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 16. Survival of Representations and Warranties. The representations and warranties of the Successor Agency in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Successor Agency and regardless of delivery of and payment for the Bonds.

Section 17. Waiver of Jury Trial. THE SUCCESSOR AGENCY HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 18. Effectiveness. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Successor Agency and shall be valid and enforceable as of the time of such acceptance.

[Signature Page Follows]

Section 19. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Officer

Accepted and agreed to as of
the date first above written, and the time identified
below:

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

Time of Execution: _____ California time

EXHIBIT A

MATURITY SCHEDULE

<i>Maturity Date (October 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold-the- Offering- Price Rule Used</i>
	\$	%	%			

REDEMPTION PROVISIONS

No Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption. The Bonds maturing on October 1, 20__, and October 1, 20__, shall also be subject to redemption in whole, or in part by lot, on October 1 in each of the years as set forth in the following tables, from Sinking Account payments made by the Successor Agency pursuant to Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the succeeding paragraph of this subsection (b), in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however,* that if some but not all of such Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future Sinking Account payments pursuant to this subsection (b) with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency.

Term Bonds of 20____

October 1

Principal Amount

\$

*

* Maturity

Term Bonds of 20____

October 1

Principal Amount

*

* Maturity

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2025A

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and delivery of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated [Pricing Date], by and between Stifel, as the Underwriter (as defined below), and the Issuer (as defined below), Stifel has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (which Sale Date is [Pricing Date]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Successor Agency to the San Marcos Redevelopment Agency.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [Pricing Date].

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Best Best & Krieger, LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____

Name:_____

Dated: [Closing Date]

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

ESCROW DEPOSIT AND TRUST AGREEMENT

by and between

THE SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

Dated as of July 1, 2025

Relating to

**SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2015A**

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (this “Agreement”), dated as of July 1, 2025, by and between the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “Successor Agency”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as successor in interest to MUFG UNION BANK, N.A., acting as trustee for the Prior Bonds (defined below) and as escrow bank hereunder (as applicable, the “Trustee” or the “Escrow Bank”);

WITNESSETH

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, et seq.) and the *California Supreme Court’s decision in California Redevelopment Association v. Matosantos*, the San Marcos Redevelopment Agency (the “Former Agency”) was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (“AB 26”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the Indenture and related documents to which the Former Agency was a party; and

WHEREAS, the Successor Agency previously issued its \$84,710,000 Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A (the “Prior Bonds”) for the purpose of refinancing the certain bonds of the Former Agency pursuant to that certain Indenture of Trust, dated as of July 1, 2015, between the Former Agency and the Trustee, as successor to MUFG Union Bank, N.A. (the “Original Indenture”); and

WHEREAS, the Successor Agency has determined that it is in the best financial interests of the Successor Agency to refund, at this time, the Prior Bonds; and

WHEREAS, in order to provide funds for such purpose, the Successor Agency is issuing the Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2025A (the “Refunding Bonds”) and applying a portion of the proceeds thereof, together with certain other moneys, for the purpose of redeeming the outstanding Prior Bonds on October 1, 2025 (the “Redemption Date”) at a redemption price of 100% (the “Redemption Price”) of par plus accrued interest to the Redemption Date as required under the Indenture; and

WHEREAS, the Refunding Bonds are being issued pursuant to a Second Supplemental Indenture of Trust, dated as of July 1, 2025 (the “Second Supplemental Indenture”), by and between the Successor Agency and the Trustee, amending and supplementing the Original Indenture, which was previously amended and supplemented by the First Supplemental Indenture

of Trust, dated December 1, 2017 by and between the Successor Agency and the Trustee (the “First Supplemental Indenture,” collectively with the Original Indenture and the Second Supplemental Indenture, the “Indenture”), on a parity basis with the Successor Agency’s Tax Allocation Refunding Bonds, Series 2015B and the Successor Agency’s Taxable Tax Allocation Refunding Bonds, Series 2017 previously issued pursuant to the Indenture; and

WHEREAS, the Successor Agency and the Escrow Bank wish to enter into this Agreement for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the redemption of the outstanding Prior Bonds in full, pursuant to and in accordance with the provisions of the Indenture.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Definition of Defeasance Securities. As used herein, the term “Defeasance Securities” means any of the following, or a combination thereof; (a) cash, (b) State and Local Government Series securities issued by the United States Treasury, (c) United States Treasury bills, notes and bonds, as traded on the open market, which are not subject to optional call or redemption, and (d) zero coupon United States Treasury Bonds.

Section 2. Establishment of Escrow Fund. There is hereby created the Escrow Fund (the “Escrow Fund”) to be held by the Escrow Bank as an irrevocable escrow securing the payment of the outstanding Prior Bonds as hereinafter set forth until the Redemption Price of the Prior Bonds plus accrued interest has been paid in full. All cash in the Escrow Fund is hereby irrevocably pledged as a special fund for the payment of Redemption Price plus accrued interest on the outstanding Prior Bonds on the Redemption Date in accordance with the provisions of the Indenture and this Agreement. If at any time the Escrow Bank shall receive actual knowledge that the cash in the Escrow Fund will not be sufficient to make any payments required by Section 4 hereof, the Escrow Bank shall notify the Successor Agency of such fact and the Successor Agency shall immediately cure such deficiency from any source of legally available funds.

Section 3. Deposit into Escrow Fund. On July 3, 2025 (the “Closing Date”), the Trustee acting in its capacity as the Trustee for the Prior Bonds, is hereby instructed to withdraw from accounts established under the Indenture the following amounts: (i) \$_____ from the Debt Service Fund and (ii) \$_____ from the Interest Account and transfer such amounts to the Escrow Bank for deposit into the Escrow Fund.

On the Closing Date, the Trustee shall be directed by the Successor Agency to transfer \$_____ of the proceeds of the Refunding Bonds to the Escrow Bank for deposit into the Escrow Fund.

The Escrow Bank shall acquire \$_____ in Defeasance Securities in the form of open market Defeasance Securities set forth in Exhibit A attached hereto and by this reference incorporated herein (the “Escrowed Defeasance Securities”). The remainder in the Escrow Fund (\$_____) shall be held in cash uninvested (the “Cash”). The Cash shall be held by the Escrow Bank in the Escrow Fund therein solely for the uses and purposes set forth herein. The Escrowed

Defeasance Securities shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

The Escrow Bank shall not be liable or responsible for any loss, fee, tax or other charge resulting from any investment, reinvestment or liquidation made pursuant to this Agreement and in full compliance with the provisions hereof.

Section 4. Instructions as to Application of Deposit. The Successor Agency hereby irrevocably directs and instructs the Escrow Bank to apply the interest on and maturing principal amount of the Escrowed Defeasance Obligations and cash to pay (i) on October 1, 2025, the principal and interest due on the Prior Bonds maturing on such date, and (ii) on October 1, 2025, the Redemption Price of the outstanding Prior Bonds maturing after October 1, 2025, all as more particularly set forth in Exhibit B attached hereto and hereby made a part hereof.

For such purpose of call and redemption prior to maturity of the Prior Bonds, the Successor Agency hereby instructs the Trustee, and the Trustee hereby agrees to cause to be given, on or before September 1, 2025, a notice of redemption of the outstanding Prior Bonds maturing after October 1, 2025, such notice of redemption to be given substantially in the form set forth in Exhibit C attached hereto and hereby made a part hereof and timely for redemption of such Prior Bonds on October 1, 2025, in accordance with the applicable provisions of the Indenture and to the Municipal Securities Rulemaking Board Electronic Municipal Market Access system.

For such purpose of call and redemption prior to maturity of the Prior Bonds, the Escrow Bank shall give notice of redemption of the Prior Bonds. The Escrow Bank shall send a Notice of Defeasance on the date of delivery of the Refunding Bonds in the form attached hereto as Exhibit D.

Section 5. Application of Certain Terms of Prior Issuance Documents. Except as may be modified herein, all of the terms of the Indenture relating to the redemption of the Prior Bonds are incorporated in this Agreement as if set forth in full herein. The provisions of the Indenture relating to the limitations from liability, rights, powers, benefits, immunities, indemnities and protections afforded the Trustee and the resignation and removal of the Trustee are also incorporated in this Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 6. Compensation to Escrow Bank. The Successor Agency shall pay the Escrow Bank full compensation agreed to in writing from time to time for its duties under this Agreement, including costs, fees and expenses, such as publication costs, redemption expenses, legal fees and expenses and other costs, fees and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes.

Section 7. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Agreement unless the Successor Agency shall have deposited sufficient funds therefor with the Escrow Bank. The Escrow Bank may rely and shall

be protected in acting upon the written instructions of the Successor Agency or its agents relating to any matter or action as Escrow Bank under this Agreement.

The Escrow Bank may consult with counsel of its own choice (which may be counsel to the Successor Agency) and the opinion of such counsel shall be full and complete authorization to take, omit or suffer in good faith any action or forbearance in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys deposited with it to pay the principal and interest on the Prior Bonds.

The Escrow Bank shall not be liable for any action or omission of the Successor Agency under this Agreement or the Prior Bonds.

Whenever in the administration of this Agreement the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, omitting or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be full warrant to the Escrow Bank for any action taken, omitted or suffered by it under the provisions of this Agreement upon the faith thereof.

The Escrow Bank may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and shall be protected and indemnified, in action, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Bank which the Escrow Bank in good faith believes was signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

The Escrow Bank may at any time resign by giving written notice to the Successor Agency of such resignation. The Successor Agency shall promptly appoint a successor Escrow Bank by the resignation date. Resignation of the Escrow Bank will be effective upon acceptance of appointment by a successor Escrow Bank. If the Successor Agency does not appoint a successor, the Escrow Bank (at the expense of the Successor Agency) may petition any court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, after such notice, if any, as it may deem proper, prescribe and, as may be required by law, appoint a successor Escrow Bank. After receiving a notice of resignation of an Escrow Bank, the Successor Agency may appoint a temporary Escrow Bank to replace the resigning Escrow Bank until the Successor Agency appoints a successor Escrow Bank. Any such temporary Escrow Bank so appointed by the Successor Agency shall immediately and without further act be superseded by the successor Escrow Bank so appointed.

The Successor Agency covenants to indemnify and hold harmless the Escrow Bank against any loss, liability, damage, claim, tax or expense, including legal fees or expenses, incurred in connection with the performance of any of its duties hereunder, except the Escrow Bank shall not be indemnified against any loss, liability, damage, claim, tax or expense resulting from its negligence or willful misconduct.

The Escrow Bank shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank or brokers selected by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Escrow Bank's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Bank as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Section 8. Amendment. This Agreement may be amended by the parties hereto, but only if there shall have been filed with the Successor Agency and the Escrow Bank a written opinion of nationally recognized bond counsel stating that such amendment will not materially adversely affect the interests of the owners of the Prior Bonds.

Section 9. Merger or Consolidation. Any entity into which the Escrow Bank may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it shall be a party or any entity to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, shall be the successor to the Escrow Bank and vested with all of the title to the trust estate and all of the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 10. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes.

Section 11. Headings. Any heading preceding the text of the several Sections hereof, any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

Section 12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 13. Termination of Agreement. When the Escrow Bank shall have transferred, pursuant to Section 4 hereof, such moneys as are required to pay the outstanding Prior Bonds

pursuant to Section 4, the Escrow Bank, after payment of all fees and expenses of the Escrow Bank, shall, in accordance with Section 9.03 of the Indenture, immediately transfer the moneys, if any, remaining in the Escrow Fund to the Successor Agency and this Agreement shall terminate.

(Signature pages follow)

IN WITNESS WHEREOF, the Successor Agency and the Escrow Bank have each caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

SUCCESSOR AGENCY TO THE SAN MARCOS
REDEVELOPMENT AGENCY

By: _____
Executive Director

*-Signature Page-
Escrow Agreement*

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Escrow Bank and Trustee

By: _____
Authorized Officer

*-Signature Page-
Escrow Agreement*

EXHIBIT A
DESCRIPTION OF THE ESCROWED DEFEASANCE SECURITIES

<u>Type of Security</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>	<u>Cost</u>	<u>Accrual Interest</u>	<u>Total Cost</u>
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EXHIBIT B
ESCROW FUND DISBURSEMENT REQUIREMENTS FOR THE PRIOR BONDS

Payment <u>Date</u>	Maturing <u>Principal</u>	Principal <u>Redeemed</u>	<u>Interest</u>	<u>Total</u>
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**EXHIBIT C
NOTICE OF OPTIONAL REDEMPTION**

TO THE OWNERS OF

**SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2015A**

Date of Notice:

Date of Issuance: July 1, 2015

Date of Redemption: October 1, 2025

NOTICE IS HEREBY GIVEN that pursuant to Section 2.03 of that certain Indenture of Trust, dated as of July 1, 2015, by and between U.S. Bank Trust Company, National Association, as successor to MUFG Union Bank, N.A., as trustee (the “Trustee”), and the Successor Agency to the San Marcos Redevelopment Agency (the “Agency”), the principal amount of the above-captioned bonds listed below (the “Bonds”) will be redeemed on October 1, 2025 (the “Redemption Date”) at the referenced price noted below, together with accrued interest to the Redemption Date. The record date is September 15, 2025.

The maturity dates, CUSIP numbers, principal of and interest rate on the Bonds are listed below:

<u>Maturity (October 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Redemption Price</u>	<u>CUSIP® (Base: 79876C)</u>
2026	\$4,920,000	5.000%	100%	AL2
2027	5,170,000	5.000	100	AM0
2028	5,440,000	5.000	100	AN8
2029	5,705,000	5.000	100	AP3
2030	6,645,000	5.000	100	AQ1
2031	6,985,000	5.000	100	AR9
2032	4,615,000	5.000	100	AS7
2033	4,860,000	5.000	100	AT5
2034	2,705,000	5.000	100	AU2

On the Redemption Date, the Redemption Price shall become due and payable on each of the Bonds, and from and after the Redemption Date, interest on the Bonds will cease to accrue. The Bonds are being called for redemption on the Redemption Date pursuant to the provisions of the Indenture.

Owners of the Bonds are requested to present their Bonds, at the following addresses:

First Class/Registered/Certified

U.S. Bank Trust Company, National
Association
Global Corporate Trust
111 Fillmore Avenue East
St. Paul, MN 55107

Express Delivery Only

U.S. Bank Trust Company, National
Association
Global Corporate Trust
111 Fillmore Avenue East
St. Paul, MN 55107

By Hand Only

U.S. Bank Trust Company,
National Association
Global Corporate Trust
111 Fillmore Avenue East
St. Paul, MN 55107

By: U.S. Bank Trust Company, National Association

Dated: _____, 2025

IMPORTANT TAX NOTICE

Withholding of 24% of gross redemption proceeds of any payment made within the United States may be required by the Tax Cuts and Jobs Act of 2017 (the “Act”), unless the Trustee has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. **Please furnish a properly completed**

Form W-9 or exemption certificate or equivalent when presenting your securities.

**Note: The Successor Agency and Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bonds. They are included solely for the convenience of the Owners of the Bonds.*

EXHIBIT D

NOTICE OF DEFEASANCE

SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, SERIES 2015A

Date of Notice:

Date of Issuance: July 14, 2015

Date of Redemption: October 1, 2025

NOTICE IS HEREBY GIVEN that all of the below indicated Bonds (the “Defeased Bonds”) have been defeased pursuant to that certain Indenture of Trust, dated as of July 1, 2015, by and between U.S. Bank Trust Company, National Association., as successor to MUFG Union Bank, N.A., as trustee (the “Trustee”), and the Successor Agency to the San Marcos Redevelopment Agency (the “Agency”), and the Defeased Bonds will be redeemed in full on the date of redemption listed above (the “Redemption Date”) at a price equal to 100% of the principal amount represented thereby together with interest accrued to the Redemption Date.

The Defeased Bond CUSIP numbers, maturity dates, and principal amounts are listed below:

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Redemption</u> <u>Price</u>	<u>CUSIP®</u> <u>(Base: 79876C)</u>
2026	\$4,920,000	5.000%	100%	AL2
2027	5,170,000	5.000	100	AM0
2028	5,440,000	5.000	100	AN8
2029	5,705,000	5.000	100	AP3
2030	6,645,000	5.000	100	AQ1
2031	6,985,000	5.000	100	AR9
2032	4,615,000	5.000	100	AS7
2033	4,860,000	5.000	100	AT5
2034	2,705,000	5.000	100	AU2

The Defeased Bonds are deemed to have been paid, and the owners thereof shall be limited to the application of such cash moneys or moneys held for the redemption thereof.

(Signature page follows)

By: U.S. Bank Trust Company, National Association

Dated: _____, 2025

*-Signature Page-
Notice of Defeasance*

INDENTURE OF TRUST

Dated as of July 1, 2015

by and between

SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY

and

MUFG UNION BANK, N.A.,

as Trustee

Relating to

\$84,710,000

**Successor Agency to the San Marcos Redevelopment Agency
Tax Allocation Refunding Bonds, Series 2015A**

and

\$139,285,000

**Successor Agency to the San Marcos Redevelopment Agency
Taxable Tax Allocation Refunding Bonds, Series 2015B**

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INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”) is dated as of July 1, 2015, by and between the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “Successor Agency”), as successor to the San Marcos Redevelopment Agency, and MUFG UNION BANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the San Marcos Redevelopment Agency (the “Former Agency”), also previously referred to as the Redevelopment Agency of the City of San Marcos, was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the “Redevelopment Law”); and

WHEREAS, the San Marcos Public Facilities Authority (the “Authority”) is a joint powers authority, duly established and authorized to transact business and exercise powers under and pursuant to a Joint Exercise of Powers Agreement between the City of San Marcos and the Former Agency which established the Authority for the purpose of permitting the Authority to issue bonds the proceeds of which were used to make loans to or acquire obligations of any of its members or any other local agencies of the State of California to finance or refinance public capital improvements of such members or local agencies; and

WHEREAS, the Redevelopment Plans (defined below) for the Redevelopment Projects (defined below) described in the Redevelopment Plans were approved and adopted pursuant to the ordinances specified in the definition of the term Redevelopment Plans and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plans have been duly complied with; and

WHEREAS, the Former Agency entered into an Indenture of Trust, dated as of July 1, 1997 (the “1997A Indenture”) with Union Bank of California, N.A., currently known as MUFG Union Bank, N.A., as successor trustee (the “1997A Trustee”), pursuant to which the Former Agency issued its Tax Allocation Bonds (1997 Affordable Housing Project), Series 1997A (the “Series 1997A Bonds”); and

WHEREAS, the Former Agency has also issued, pursuant to an Indenture of Trust, dated as of April 1, 1998 (the “1998A Indenture”) between the Former Agency and BNY Western Trust Company, now known as The Bank of New York Mellon Trust Company, N.A., as trustee (the “1998A Trustee”) thereunder, its Redevelopment Agency of the City of San Marcos Tax Allocation Bonds (1998 Affordable Housing Project), Series 1998A (the “Series 1998A Bonds”); and

WHEREAS, the Authority entered into an Indenture of Trust, dated as of November 1, 2001 (the “2001A Indenture”) with Union Bank of California, N.A., currently known as MUFG Union Bank, N.A., as successor trustee (the “2001A Trustee”), pursuant to which the Authority issued its 2001 Public Improvement Refunding Revenue Bonds, Series A (Civic Center/Public Works Yard) (the “Series 2001A Bonds”) which are secured by certain revenues consisting principally of rental payments payable by the City under the Lease Agreements (defined herein) pertaining to the public improvements refinanced from the proceeds of the Series 2001A Bonds and which rental payments are subject to a Reimbursement Agreement, dated as of November 1, 2001 by and between the City and the Former Agency, pursuant to which the Former Agency affirmed and agreed to reimburse the City for any and all such rental payments made by the City under such Lease Agreements and agreed that such obligation of the Former Agency shall be a direct and general obligation of the Former Agency and pledged the Tax Revenues as defined in such agreement to the extent required to pay the reimbursement obligation of the Former Agency; and

WHEREAS, the Authority has also issued pursuant to an Indenture of Trust, dated as of May 1, 2003 (the “2003A Indenture”) between the Authority and U.S. Bank National Association as trustee (the “2003A Trustee”) thereunder, its 2003 Tax Allocation Revenue Bonds (Project Areas No. 1, No. 2 and No. 3 Refunding and Financing Project), Series A (the “Series 2003A Bonds”); and

WHEREAS, the Authority has also issued pursuant to an Indenture of Trust, dated as of May 1, 2003 (the “2003B Indenture”) between the Authority and U.S. Bank National Association as trustee (the “2003B Trustee”) thereunder, its 2003 Tax Allocation Revenue Bonds (Project Area No. 1 Refunding and Financing Project), Taxable Series B (the “Series 2003B Bonds”); and

WHEREAS, the Authority has also issued pursuant to an Indenture of Trust, dated as of May 1, 2005 (the “2005A Indenture”) between the Authority and Union Bank of California, N.A., currently known as MUFG Union Bank, N.A., as successor trustee (the “2005A Trustee”) thereunder, its 2005 Tax Allocation Revenue Bonds (Project Areas No. 1 and No. 3 Refunding Project), Series A (the “Series 2005A Bonds”); and

WHEREAS, the Authority has also issued pursuant to an Indenture of Trust, dated as of May 1, 2005 (the “2005B Indenture”) between the Authority and Union Bank of California, N.A., currently known as MUFG Union Bank, N.A., as successor trustee (the “2005B Trustee”) thereunder, its 2005 Tax Allocation Revenue Bonds (Project Area No. 1 Refunding and Financing Project), Taxable Series B (the “Series 2005B Bonds”); and

WHEREAS, the Authority has also issued pursuant to an Indenture of Trust, dated as of June 1, 2005 (the “2005C Indenture”) between the Authority and Union Bank of California, N.A., currently known as MUFG Union Bank, N.A., as successor trustee (the “2005C Trustee”) thereunder, its 2005 Tax Allocation Revenue Bonds (Project Areas No. 2 and No. 3 Financing Project), Series C (the “Series 2005C Bonds”); and

WHEREAS, the Authority has also issued pursuant to an Indenture of Trust, dated as of March 1, 2006 (the “2006A Indenture” and collectively with the 1997A Indenture, the 1998A

Indenture, the 2001A Indenture, the 2003A Indenture, the 2003B Indenture, the 2005A Indenture, the 2005B Indenture and the 2005C Indenture, the “Prior Indentures”) between the Authority and Union Bank of California, N.A., currently known as MUFG Union Bank, N.A., as successor trustee (the “2006A Trustee”) thereunder, its 2006 Tax Allocation Revenue Bonds (Project Area No. 3 Financing Project), Series A (the “Series 2006A Bonds” and collectively with the Series 1997A Bonds, the Series 1998A Bonds, the Series 2001A Bonds, the Series 2003A Bonds, the Series 2003B Bonds, the Series 2005A Bonds, the Series 2005B Bonds and the Series 2005C Bonds, the “Prior Bonds”); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law (found at Health and Safety Code Section 33000, et.seq.) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012, in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Prior Indentures and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5(a)(1) of the Dissolution Act authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law and the Refunding Law of its Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A (the “Series 2015A Bonds”) and its Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2015B (the “Series 2015B Bonds”, collectively with the Series 2015A Bonds, the “Series 2015 Bonds”) in an aggregate principal amount not to exceed \$255,000,000 in order to refund the Prior Bonds; and

WHEREAS, the Successor Agency will cause the delivery of the Reserve Policy (as defined in Section 1.01 hereto) by AGM (as defined in Section 1.01 hereto) to the Trustee on the Closing Date (as defined in Section 1.01 hereto) to satisfy the Reserve Requirement (as defined in Section 1.01 hereto) for the Series 2015 Bonds; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2015 Bonds, to establish and declare the terms and conditions upon which the Series 2015 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and

redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2015 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Series 2015 Bonds and any other Outstanding Bonds issued under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2015 Bonds and any other Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2015 Bonds and any other Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Series 2015 Bonds and any other Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State.

“Additional Revenues” means, as the date of calculation, the amount of Pledged Tax Revenues which, as shown in a report of an Independent Redevelopment Consultant, are estimated to be receivable by the Successor Agency within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the Project Areas due to either (a) construction which has been completed and for which a certificate of occupancy has been issued by the City but which is not then reflected on the tax rolls, or (b) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed valuation of taxable property in the Project Areas is estimated to increase above the assessed valuation of taxable property in the Project Areas (as evidenced in the written records of the County) as of the date on which such calculation is made.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, the Person specified.

“AGM” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Agreement” means that certain Joint Exercise of Powers Agreement, dated June 1, 1989, entered into under the Act by and between the City and the Former Agency together with any amendments thereof and supplements thereto.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Bonds (including any Parity Debt) in such Bond Year, and (b) the principal amount of the Outstanding Bonds (including any Parity Debt) scheduled to be paid in such Bond Year upon the maturity or mandatory sinking account redemption thereof.

“Authority” means the San Marcos Public Facilities Authority, a joint powers authority duly organized and existing under the Agreement and the laws of the State.

“Authorized Representative” means: (a) with respect to the Authority, its Chairman, Vice Chairman, Executive Director, Secretary, or Treasurer or any other Person designated as an Authorized Representative of the Authority by a certificate of the Authority signed by its Executive Director and filed with the Successor Agency and the Trustee; (b) with respect to the Successor Agency, the Mayor, Vice Mayor, City Manager, or Finance Director of the City acting

for and on behalf of the Successor Agency, or any other Person designated as an Authorized Representative of the City by a certificate signed on behalf of the Successor Agency by the City Manager and filed with the Authority and the Trustee; and (d) with respect to the Trustee, the President, any Vice President, any Assistant Vice President, any Senior Authorized Officer, or any Trust Officer of the Trustee, and when used with reference to any act or document also means any other Person authorized to perform such act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee. An Authorized Representative may by written instrument designate any Person to act on his or her behalf.

“Bond Counsel” means any attorney or firm of attorneys appointed by or acceptable to the Successor Agency of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Year” means any twelve-month period beginning on October 2 in any year and extending to the next succeeding October 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on October 1, 2015.

“Bonds” means, collectively, the Series 2015 Bonds and, if the context requires, any additional Parity Debt.

“Business Day” means a day of the year (other than a Saturday or Sunday) on which banks in the State or the State of New York are not required or permitted to be closed, and on which the New York Stock Exchange is open.

“Civic Center Lease” means the Lease Agreement (Civic Center), dated as of November 1, 2001 by and between the Authority, as lessor, and the City, as lessee.

“Closing Date” means, with respect to the Series 2015 Bonds, the date on which the Series 2015 Bonds are delivered by the Successor Agency to the Original Purchaser.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Successor Agency and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Trustee including its first annual administration fee, expenses incurred by the Successor Agency in connection with the issuance of the Bonds, fees and charges of the Trustee for paying and redeeming the Prior Bonds, underwriter’s discount, original issue discount, legal fees and charges, including Bond Counsel and financial consultant’s fees, costs of cash flow verification, premiums for any reserve policy the Successor Agency may purchase, rating agency fees, charges for execution, transportation and safekeeping of the Series 2015 Bonds and other costs, charges and fees in connection with the original issuance of the Series 2015 Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“County” means the County of San Diego, a county duly organized and existing under the Constitution and laws of the State.

“Credit Facility” means (i) the Reserve Policy or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to the provisions of the Indenture, provided that all of the following requirements are met by the Successor Agency at the time of delivery thereof to the Trustee: (a) the long-term credit rating of such bank or insurance company is in one of the three highest rating categories by S&P; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the provisions of the Indenture; (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to the provisions of the Indenture; and (e) prior written notice is given to the Trustee before the effective date of any such Credit Facility.

“Debt Service Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.03.

“Defeasance Obligations” means:

- (a) cash;
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series);
- (c) Direct obligations of the Treasury that have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (d) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form;
- (e) Pre-refunded municipal bonds rated “Aa” or higher by Moody’s and “AA” or higher by S&P, provided that, the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and
- (f) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the Successor Agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Rural Economic Community Development Administration (formerly the Farmers Home Administration); (iii) obligations of the Federal Financing Bank; (iv) debentures of the Federal Housing Administration; (v) participation certificates of the General Services Administration; (vi) guaranteed Title XI financings of the U.S. Maritime Administration; (vii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

“Dissolution Act” means the provisions of Assembly Bill X1 26, signed by the Governor on June 28, 2011, and filed with the Secretary of State on June 29, 2011, consisting of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484, signed by the Governor on June 27, 2012, and filed with the Secretary of State on June 27, 2012.

“DOF” means the California Department of Finance.

“Event of Default” means any of the events described in Section 8.01.

“Fair Market Value” means, with respect to any investment, the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any written directions of the Successor Agency.

“Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency as its official fiscal year period pursuant to a Written Certificate of the Successor Agency filed with the Trustee.

“Former Agency” means the San Marcos Redevelopment Agency, also known as the Redevelopment Agency of the City of San Marcos, a public body corporate and politic duly organized and formerly existing under the Redevelopment Law and dissolved in accordance with the Dissolution Act.

“Housing Bonds” means the Former Agency’s \$52,805,000 San Marcos Redevelopment Agency Housing Set-Aside Tax Allocation Bonds, Series 2010 (Taxable).

“Indenture” means this Indenture of Trust by and between the Successor Agency and the Trustee, as amended or supplemented from time to time pursuant to any Supplemental Indenture entered into pursuant to the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by or acceptable to the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Independent Fiscal Consultant” means any consultant or firm of such consultants appointed by or acceptable to the Successor Agency and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Independent Redevelopment Consultant” means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects;

(b) is in fact independent and not under the domination of the Successor Agency;

(c) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds or any Parity Debt; and

(d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Information Services” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

“Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

“Interest Payment Date” means each April 1 and October 1 in each year, commencing October 1, 2015, for so long as any of the Bonds remain unpaid.

“Late Payment Rate” means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2015 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime rate shall be the publicly announced prime or base lending rate of such national bank as AGM shall specify.

“Lease Agreements” means collectively, the Civic Center Lease and the Public Works Yard Lease.

“Low and Moderate Income Housing Fund” means the fund of the Successor Agency by that name established pursuant to Section 33334.3 of the Redevelopment Law.

“Maximum Annual Debt Service” means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year payable on the Bonds or any Parity Debt in such Bond Year.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns.

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee at 120 South San Pedro Street, Suite 400, Los Angeles, California 90012, or at such other or additional offices as may be specified by the Trustee in writing to the Successor Agency, provided that for the purposes of maintenance of the Registration Books and presentation of Bonds for transfer, exchange or payment such term shall mean the office of the Trustee at which it conducts its corporate agency business.

“Original Purchaser” means the Stifel, Nicolaus & Company, Incorporated, on behalf of itself and Piper Jaffray & Company, as the original purchasers of the Series 2015 Bonds.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the oversight board duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Owner” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Debt” means any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency on a parity with the Series 2015 Bonds pursuant to Section 3.04.

“Parity Debt Instrument” means any resolution, indenture of trust, trust agreement or other instrument authorizing the issuance of any Parity Debt and which otherwise complies with all of the terms and conditions of this Indenture, including, without limitation, the provisions of Section 3.04.

“Pass-Through Agreements” mean certain contractual and statutory obligations secured by a pledge or lien on Tax Increment Revenues superior to the lien securing the Housing Bonds, as set forth in the agreements listed below:

(a) Amended and Restated Agreement regarding Redevelopment Project Areas 1, 2 and 3, dated as of December 12, 2000, by and among Palomar Community College District, the City and the Former Agency;

(b) Agreement for Cooperation, dated as of July 25, 1989, by and among the San Diego County Office of Education, the City and the Former Agency;

(c) Amended Agreement for Cooperation, dated as of April 10, 1990, by and among the County of San Diego, the City and the Former Agency;

(d) Agreement for Cooperation, dated as of August 13, 1985, by and among Olivenhain Municipal Water District, the City and the Former Agency;

(e) Agreement for Cooperation, dated as of May 28, 1985, by and among Palomar Community College District, the City and the Former Agency;

(f) Agreement for Cooperation, dated as of May 14, 1985, by and among the San Marcos Fire Protection District, the City and the Former Agency;

(g) Agreement for Cooperation, dated as of May 14, 1985, by and among San Marcos County Water District (now Vallecitos Water District), the City and the Former Agency;

(h) Settlement Agreement and Mutual Release of Claims, dated as of July 8, 1998, by and among the County of San Diego, the City and the Former Agency;

(i) Agreement for Cooperation, dated as of March 13, 1990, by and among North County Cemetery District, the City and the Former Agency;

(j) Agreement for Cooperation, dated as of February 13, 1991, by and among Palomar Community College District, the City and the Former Agency;

(k) Agreement for Cooperation, dated as of June 13, 1989, by and among Palomar Community College District, the City and the Former Agency;

(l) Agreement for Cooperation, dated as of June 13, 1989, by and among San Marcos

Fire Protection District, the City and the Former Agency; and

(m) Agreement for Cooperation, dated as of June 13, 1989, by and among Vallecitos Water District, the City and the Former Agency.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State and constitute Permitted Investments), but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration (formerly Farmers Home Administration), General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, Federal Housing Administration and Federal Financing Bank;

(c) direct obligations for any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by Fannie Mae or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other Government Sponsored Agencies;

(d) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody’s, and maturing no more than 360 days after the date of purchase, including those of the Trustee or its affiliates;

(e) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody’s and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated AAAm or AAAm-G or better by S&P, including funds for which the Trustee or its affiliates provide investment advisory or other management services;

(g) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody’s or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of

cash or Federal Securities, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, in such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by an Independent Accountant and with the prior approval of S&P, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) the County's investment pool; and

(i) the Local Agency Investment Fund of the State, created pursuant to Section 11429.1 of the California Government Code but only, in the case of Trustee held funds, to the extent any moneys invested by the Trustee are subject to deposit and withdrawal solely by the Trustee.

"Plan Limitations" means the limitations contained or incorporated in each of the Redevelopment Plans on (a) the aggregate principal amount of indebtedness payable from Tax Increment Revenues which may be outstanding at any time, or (b) the aggregate amount of taxes which may be divided and allocated to the Successor Agency pursuant to such Redevelopment Plan.

"Pledged Tax Revenues" means all moneys deposited from time to time in the Redevelopment Property Tax Trust Fund as provided in paragraph (2) of subdivision (a) of Section 34183 of the California Health and Safety Code but excluding (i) amounts of such taxes required to be paid by the Successor Agency to pay Pass-Through Agreements, or pursuant to Section 33607.7 of the Redevelopment Law, except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the Series 2015 Bonds and any additional Parity Debt, as applicable, (ii) amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County auditor-controller, and (iii) excluding all other amounts which prior to the adoption of the Dissolution Act were required to be deposited into the Former Agency's Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Redevelopment Law, to the extent required to pay debt service on the Housing Bonds. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Pledged Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution, subject to the exclusions set forth above.

"Policy Costs" means, collectively, repayment of draws on the Reserve Policy and payment of expenses and accrued interest thereon as provided by Section 4.06(a) at the Late Payment Rate.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

“Pre-Existing Agreements” means the contractual and statutory obligations, if any, secured by a lien on Tax Increment Revenues superior to the lien securing the Housing Bonds, including Pass-Through Agreements.

“Prior Bonds” shall mean, collectively, the Series 1997A Bonds, the Series 1998A Bonds, the Series 2001A Bonds, the Series 2003A Bonds, the Series 2003B Bonds, the Series 2005A Bonds, the Series 2005B Bonds, the Series 2005C Bonds and the Series 2006A Bonds.

“Project Areas” means the project areas described in the Redevelopment Plans.

“Public Works Yard Lease” means the Lease Agreement (Public Works Yard), dated as of November 1, 2001, by and between the Authority, as lessor, and the City, as lessee.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

“Redemption Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(e).

“Redevelopment Law” means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto.

“Redevelopment Obligation Retirement Fund” means the fund by that name established pursuant to California Health and Safety Code Section 34170.5(a) and administered by the Successor Agency.

“Redevelopment Plans” means, individually, (a) the Redevelopment Plan for the San Marcos Redevelopment Project Area No. 1 approved and adopted by the City by Ordinance No. 83-604 on July 12, 1983, together with any amendments thereof hereafter duly enacted pursuant to the Redevelopment Law; (b) the Redevelopment Plan for the San Marcos Redevelopment Project Area No. 2 approved and adopted by the City by Ordinance No. 85-662 on July 19, 1985, together with any amendments thereof hereafter duly enacted pursuant to the Redevelopment Law; or (c) the Redevelopment Plan for the San Marcos Redevelopment Project Area No. 3 approved and adopted by the City by Ordinance No. 89-820 on July 11, 1989, together with any amendments thereof hereafter duly enacted pursuant to the Redevelopment Law. “Redevelopment Plans” or “Plans” means, collectively, each of the foregoing Redevelopment Plans.

“Redevelopment Project Areas” or “Project Areas” means the Redevelopment Project Areas described in the Redevelopment Plans.

“Redevelopment Projects” or “Projects” means the undertaking of the Successor Agency pursuant to the Redevelopment Plans, as amended, and the Redevelopment Law for the redevelopment of the Redevelopment Project Areas.

“Redevelopment Property Tax Trust Fund” or “RPTTF” means the fund by that name established pursuant to Health & Safety Code Sections 34170.5(b) and 34172(c) and administered by the County auditor-controller.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Series 2015 Bonds.

“Related Documents” means any document executed in connection with the Bonds.

“Request of the Successor Agency” means a request in writing signed by the Executive Director, Treasurer or Secretary of the Successor Agency, or any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

“Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(d) hereof.

“Reserve Policy” means the municipal bond debt service reserve insurance policy issued by AGM deposited into the Reserve Account securing the Series 2015 Bonds.

“Reserve Requirement” means, with respect to the Series 2015 Bonds, as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of the Series 2015 Bonds, (ii) Maximum Annual Debt Service with respect to the Series 2015 Bonds, or (iii) 125% of average Annual Debt Service on the Series 2015 Bonds; provided further that (a) the Reserve Requirement with respect to the Series 2015A Bonds and the Series 2015B Bonds will be calculated on a combined basis, provided that, in the event the Reserve Requirement for the Series 2015A Bonds and the Series 2015B Bonds is funded with cash, the Trustee shall establish separate subaccounts for the proceeds of the Series 2015A Bonds and the Series 2015B Bonds to enable the Trustee to track the investment of the proceeds of the Series 2015A Bonds and the Series 2015B Bonds and (b) that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Credit Facility meeting the requirements of Section 4.03(d) hereof.

“ROPs” or “Recognized Obligations Payment Schedule” means a Recognized Obligations Payment Schedule each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the California Health and Safety Code or any other document as may be required to be filed by the Successor Agency so to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency, for deposit into the Redevelopment Obligation Retirement Fund on each RPTTF Disbursement Date the amounts specified in Section 4.02.

“S&P” means Standard & Poor’s Ratings Service, a division of the McGraw-Hill Companies, Inc., its successors and assigns.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

“Series 1997A Bonds” means the Former Agency’s Tax Allocation Bonds (1997 Affordable Housing Project), Series 1997A.

“Series 1997A Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 1997A Escrow Bank pertaining to the Series 1997A Bonds.

“Series 1997A Bonds Escrow Bank” means MUFG Union Bank, N.A., acting in its capacity as the escrow bank pursuant to the Series 1997A Bonds Escrow Agreement.

“Series 1997A Trustee” means MUFG Union Bank, N.A., acting in its capacity as trustee for the Series 1997A Bonds pursuant to the Indenture of Trust, dated as of July 1, 1997.

“Series 1998A Bonds” means the Former Agency’s Tax Allocation Bonds (1998 Affordable Housing Project), Series 1998A.

“Series 1998A Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 1998A Bonds Escrow Bank, pertaining to the Series 1998A Bonds.

“Series 1998A Bonds Escrow Bank” means The Bank of New York Mellon Trust Company, N.A., acting in its capacity as the escrow bank pursuant to the Series 1998A Bonds Escrow Agreement.

“Series 1998A Trustee” means The Bank of New York Mellon Trust Company, N.A., acting in its capacity as trustee for the Series 1998A Bonds pursuant to the Indenture of Trust, dated as of April 1, 1998.

“Series 2001A Bonds” means the Authority’s 2001 Public Improvement Refunding Revenue Bonds, Series A (Civic Center/Public Works Yard).

“Series 2001A Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 2001A Bonds Escrow Bank, pertaining to the Series 2001A Bonds.

“Series 2001A Bonds Escrow Bank” means MUFG Union Bank, N.A., acting in its capacity as the escrow bank pursuant to the Series 2001A Bonds Escrow Agreement.

“Series 2001A Trustee” means MUFG Union Bank, N.A., acting in its capacity as the trustee for the Series 2001A Bonds pursuant to the Indenture of Trust, dated as of November 1, 2001.

“Series 2003A Bonds” means the Authority’s 2003 Tax Allocation Revenue Bonds (Project Areas No.1, No. 2 & No. 3 Refunding and Financing Project), Series A.

“Series 2003A Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 2003A Bonds Escrow Bank, pertaining to the Series 2003A Bonds.

“Series 2003A Bonds Escrow Bank” means U.S. Bank National Association, acting in its capacity as the escrow bank pursuant to the Series 2003A Bonds Escrow Agreement.

“Series 2003A Trustee” means U.S. Bank National Association, acting in its capacity as the trustee for the Series 2003A Bonds pursuant to the Indenture of Trust, dated as of May 1, 2003.

“Series 2003B Bonds” means the Authority’s 2003 Tax Allocation Revenue Bonds (Project Area No. 1 Refunding and Financing Project), Taxable Series B.

“Series 2003B Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 2003B Bonds Escrow Bank, pertaining to the Series 2003B Bonds.

“Series 2003B Bonds Escrow Bank” means U.S. Bank National Association, acting in its capacity as the escrow bank pursuant to the Series 2003B Bonds Escrow Agreement.

“Series 2003B Trustee” means U.S. Bank National Association, acting in its capacity as trustee for the Series 2003B Bonds pursuant to the Indenture of Trust, dated as of May 1, 2003.

“Series 2005A Bonds” means the Authority’s 2005 Tax Allocation Revenue Bonds (Project Areas No. 1 and No. 3 Refunding and Financing Project), Series A.

“Series 2005A Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 2005A Bonds Escrow Bank, pertaining to the Series 2005A Bonds.

“Series 2005A Bonds Escrow Bank” means MUFG Union Bank, N.A., acting in its capacity as the escrow bank pursuant to the Series 2005A Bonds Escrow Agreement.

“Series 2005A Trustee” means MUFG Union Bank, N.A., acting in its capacity as trustee for the Series 2005A Bonds pursuant to the Indenture of Trust, dated as of May 1, 2005.

“Series 2005B Bonds” means the Authority’s 2005 Tax Allocation Revenue Bonds (Project Area No. 1 Refunding and Financing Project), Taxable Series B.

“Series 2005B Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 2005B Bonds Escrow Bank, pertaining to the Series 2005B Bonds.

“Series 2005B Bonds Escrow Bank” means MUFG Union Bank, N.A., acting in its capacity as the escrow bank pursuant to the Series 2005B Bonds Escrow Agreement.

“Series 2005B Trustee” means MUFG Union Bank, N.A., acting in its capacity as trustee for the Series 2005B Bonds pursuant to the Indenture of Trust, dated as of May 1, 2005.

“Series 2005C Bonds” means the Authority’s 2005 Tax Allocation Revenue Bonds (Project Areas No. 2 and No. 3 Financing Project), Series C.

“Series 2005C Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 2005C Bonds Escrow Bank, pertaining to the Series 2005C Bonds.

“Series 2005C Bonds Escrow Bank” means MUFG Union Bank, N.A., acting in its capacity as the escrow bank pursuant to the Series 2005C Bonds Escrow Agreement.

“Series 2005C Trustee” means MUFG Union Bank, N.A., acting in its capacity as trustee for the Series 2005C Bonds pursuant to the Indenture of Trust, dated as of June 1, 2005, by and between the Authority and Union Bank of California, N.A.

“Series 2006A Bonds” means the Authority’s 2006 Tax Allocation Revenue Bonds (Project Area No. 3 Financing Project), Series A.

“Series 2006A Bonds Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Series 2006A Bonds Escrow Bank, pertaining to the Series 2006A Bonds.

“Series 2006A Bonds Escrow Bank” means MUFG Union Bank, N.A., acting in its capacity as the escrow bank pursuant to the Series 2006A Bonds Escrow Agreement.

“Series 2006A Trustee” means MUFG Union Bank, N.A., acting in its capacity as trustee for the Series 2006A Bonds pursuant to the Indenture of Trust, dated as of March 1, 2006, by and between the Authority and Union Bank of California, N.A.

“Series 2015 Bonds” means collectively the Series 2015A Bonds and the Series 2015B Bonds.

“Series 2015A Bonds” the Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A, issued in the initial principal amount of \$84,710,000.

“Series 2015B Bonds” means the Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2015B, issued in the initial principal amount of \$139,285,000.

“Sinking Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

“State” means the State of California.

“Subordinate Debt” means any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency in accordance with the requirements of Section 3.05, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Tax Revenues; or (b) secured by a pledge of or lien upon the Pledged Tax Revenues which is subordinate to the pledge of and lien upon the Pledged Tax Revenues hereunder for the security of the Bonds.

“Successor Agency” means the Successor Agency to the San Marcos Redevelopment Agency, a public entity existing under the Dissolution Act, as successor to the Former Agency.

“Successor Agency Project Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.07.

“Supplemental Indenture” means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into by and between the Successor Agency and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Term Bonds” means, collectively, (a) the Series 2015B Bonds maturing on October 1, 2024, October 1, 2027, October 1, 2029, October 1, 2034 and October 1, 2038 and (b) any maturity of Parity Debt which is subject to mandatory Sinking Account redemption pursuant to the Supplemental Indenture authorizing the issuance thereof.

“Trustee” means MUFG Union Bank, N.A., as trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

“Written Request of the Successor Agency” or **“Written Certificate of the Successor Agency”** means a request or certificate, in writing signed by the Executive Director, Treasurer or Secretary of the Successor Agency or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose and so identified in a Written Certificate of the Successor Agency.

Section 1.02. Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2015 BONDS

Section 2.01. Authorization and Purpose of Series 2015 Bonds. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2015 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Series 2015 Bonds in the manner and form provided in this Indenture.

Series 2015A Bonds in the aggregate principal amount of Eighty Four Million Seven Hundred Ten Thousand Dollars (\$84,710,000) and the Series 2015B Bonds in the aggregate principal amount of One Hundred Thirty Nine Million Two Hundred Eighty-five Thousand Dollars (\$139,285,000) are hereby authorized to be issued by the Successor Agency under the Refunding Law and the Redevelopment Law for the purpose of providing funds to refund the Prior Bonds. The Series 2015 Bonds shall be authorized and issued under, and shall be subject to the terms of, this Indenture and the Redevelopment Law. The Series 2015A Bonds shall be designated the "Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A" and the Series 2015B Bonds shall be designated the "Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2015B"

Section 2.02. Terms of the Series 2015 Bonds. The Series 2015A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2015A Bond shall have more than one maturity date. The Series 2015A Bonds shall mature on October 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360 day year comprised of twelve 30-day months) at the rates, as follows:

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2016	\$3,175,000	2.000%
2017	3,245,000	4.000
2018	3,370,000	4.000
2019	3,510,000	5.000
2020	3,700,000	5.000
2021	3,895,000	5.000
2022	4,085,000	5.000
2023	4,305,000	5.000
2024	4,080,000	5.000
2025	4,300,000	5.000
2026	4,920,000	5.000
2027	5,170,000	5.000

2028	5,440,000	5.000
2029	5,705,000	5.000
2030	6,645,000	5.000
2031	6,985,000	5.000
2032	4,615,000	5.000
2033	4,860,000	5.000
2034	2,705,000	5.000

The Series 2015B Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2015B Bond shall have more than one maturity date. The Series 2015B Bonds shall mature on October 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360 day year comprised of twelve 30-day months) at the rates, as follows:

Maturity Date (October 1)	Principal Amount	Interest Rate
2016	\$5,125,000	1.090%
2017	5,160,000	1.540
2018	5,245,000	2.080
2019	5,350,000	2.500
2020	5,460,000	2.965
2021	5,630,000	3.000
2022	5,780,000	3.250
2024	12,150,000	3.866
2025	6,410,000	4.016
2027	13,415,000	4.000
2029	13,040,000	4.466
2034	31,000,000	4.852
2038	25,520,000	5.002

Interest on the Series 2015 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of Series 2015 Bonds of the same series in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any Series 2015 Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Office of the Trustee and shall be payable in lawful money of the United States of America.

Each Series 2015 Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before September 15, 2015, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any Series 2015 Bond, interest thereon is in default, such Series 2015 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of Series 2015 Bonds.

(a) Optional Redemption.

(i) *Series 2015A Bonds.* The Series 2015A Bonds maturing on or before October 1, 2025, are not subject to optional redemption prior to maturity. The Series 2015A Bonds maturing on and after October 1, 2026, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 2025, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series 2015A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

(ii) *Series 2015B Bonds.* The Series 2015B Bonds maturing on or before October 1, 2025, are not subject to optional redemption prior to maturity. The Series 2015B Bonds maturing on and after October 1, 2026, other than the Series 2015B Bonds maturing on October 1, 2029, which are not subject to optional redemption prior to maturity, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 2025, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series 2015B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Series 2015 Bonds under this Section 2.03(a) at least 60 days prior to the date to be fixed for redemption or such later date as shall be permitted by the Trustee and the Successor Agency shall deposit all amounts required for any redemption pursuant to this Section 2.03(a) at least one Business Day prior to the date fixed for such redemption.

(b) Mandatory Sinking Account Redemption.

The Series 2015B Bonds maturing on October 1, 2024, October 1, 2027, October 1, 2029, October 1, 2034 and October 1, 2038, shall also be subject to redemption in whole, or in part by lot, on October 1 in each of the years as set forth in the following tables, from Sinking Account payments made by the Successor Agency pursuant to Section 4.03(c), at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the

succeeding paragraph of this subsection (b), in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; *provided, however*, that if some but not all of such Series 2015B Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future Sinking Account payments pursuant to this subsection (b) with respect to such Series 2015B Bonds shall be reduced by the aggregate principal amount of such Series 2015B Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

Series 2015B Term Bonds Maturing October 1, 2024

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed
2023	\$5,965,000
2024 (maturity)	6,185,000

Series 2015B Term Bonds Maturing October 1, 2027

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed
2026	\$6,580,000
2027 (maturity)	6,835,000

Series 2015B Term Bonds Maturing October 1, 2029

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed
2028	\$6,585,000
2029 (maturity)	6,455,000

Series 2015B Term Bonds Maturing October 1, 2034

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed
2030	\$6,015,000
2031	6,310,000
2032	6,370,000
2033	6,665,000
2034 (maturity)	5,640,000

Series 2015B Term Bonds Maturing October 1, 2038

Sinking Account Redemption Date (October 1)	Principal Amount To Be Redeemed
2035	\$8,060,000
2036	8,460,000
2037	4,390,000
2038 (maturity)	4,610,000

In lieu of redemption of the Series 2015 Bonds pursuant to the preceding paragraph, amounts on deposit in the Debt Service Fund (to the extent not required to be transferred by the Trustee pursuant to Section 4.03 during the current Bond Year) may also be used and withdrawn at the direction of the Successor Agency at any time for the purchase of such Series 2015 Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Series 2015 Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Series 2015 Bonds required to be redeemed pursuant to this subsection (b) on the next succeeding October 1.

(c) Notice of Redemption, Rescission. Subject to Section 2.03(d), the Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Series 2015 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services designated in a Request of the Successor Agency delivered to the Trustee (by any means acceptable to such depositories and services in substitution of first class mail); *provided, however*, that such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2015 Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall, if applicable, designate the CUSIP number of the Series 2015 Bonds to be redeemed, shall state the individual number of each Series 2015 Bond to be redeemed or state that all Series 2015 Bonds between two stated numbers (both inclusive) or shall state that all of the Series 2015 Bonds Outstanding of one or more maturities are to be redeemed, and shall require that such Series 2015 Bonds be then surrendered at the Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on the Series 2015 Bonds to be redeemed will not accrue from and after the date fixed for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2015 Bonds then called for

redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(d) Partial Redemption of Series 2015 Bonds. In the event only a portion of any Series 2015 Bond is called for redemption, then upon surrender thereof the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Series 2015 Bond or Bonds of the same interest rate and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2015 Bond to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Series 2015 Bonds so called for redemption shall have been duly deposited with the Trustee, such Series 2015 Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the maturity of the Series 2015 Bonds, the Trustee shall select the Series 2015 Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Series 2015 Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Series 2015 Bonds that may be separately redeemed.

Section 2.04. Form of Series 2015 Bonds. The Series 2015A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Series 2015B Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Authentication and Delivery of Series 2015 Bonds. The Series 2015 Bonds shall be executed on behalf of the Successor Agency by the signature of its Chairman, Executive Director or Treasurer and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Series 2015 Bond ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Series 2015 Bond may be signed and attested on behalf of the Successor

Agency by such persons as at the actual date of the execution of such Series 2015 Bond shall be the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such Series 2015 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Series 2015 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A or Exhibit B, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such Series 2015 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.06. Transfer of Series 2015 Bonds. Subject to the limitations set forth below, any Series 2015 Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2015 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Series 2015 Bond shall not be permitted by the Trustee during the fifteen (15) day period preceding the selection of Series 2015 Bonds for redemption or if such Series 2015 Bond has been selected for redemption pursuant to Article IV. Whenever any Series 2015 Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and shall deliver a new Series 2015 Bond for a like aggregate principal amount and of like series and maturity. The Trustee may require the Series 2015 Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Series 2015 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

Section 2.07. Exchange of Series 2015 Bonds. Any Series 2015 Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2015 Bonds of other authorized denominations and of like series and maturity. Exchange of any Series 2015 Bond shall not be permitted during the fifteen (15) day period preceding the selection of Series 2015 Bonds for redemption or if such Series 2015 Bond has been selected for redemption pursuant to Article IV. The Trustee may require the Series 2015 Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Series 2015 Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

Section 2.08. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Series 2015 Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the Successor Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Series 2015 Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Series 2015 Bonds may be initially issued in temporary form exchangeable for definitive Series 2015 Bonds when ready for delivery. The

temporary Series 2015 Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Series 2015 Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Series 2015 Bonds. If the Successor Agency issues temporary Series 2015 Bonds it will execute and furnish definitive Series 2015 Bonds without delay, and thereupon the temporary Series 2015 Bonds shall be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Series 2015 Bonds an equal aggregate principal amount of definitive Series 2015 Bonds of authorized denominations. Until so exchanged, the temporary Series 2015 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Series 2015 Bonds authenticated and delivered hereunder.

Section 2.10. Series 2015 Bonds Mutilated, Lost, Destroyed or Stolen. If any Series 2015 Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Series 2015 Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2015 Bond of like series and tenor in exchange and substitution for the Series 2015 Bond so mutilated, but only upon surrender to the Trustee of the Series 2015 Bond so mutilated. Every mutilated Series 2015 Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Successor Agency. If any Series 2015 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory and indemnity satisfactory to the Trustee shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2015 Bond of like series and tenor in lieu of and in substitution for the Series 2015 Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Series 2015 Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Series 2015 Bond issued under the provisions of this Section in lieu of any Series 2015 Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Series 2015 Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Series 2015 Bonds issued pursuant to this Indenture.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Series 2015 Bond for which principal has become due for a Series 2015 Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Series 2015 Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

Section 2.11. Book Entry Form.

(a) Original Delivery to DTC. The Series 2015 Bonds shall be initially delivered to DTC in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Series 2015 Bonds. Upon initial delivery, the ownership of each such Series 2015 Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Series 2015 Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Series 2015 Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Successor Agency holds an interest in the Series 2015 Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2015 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2015 Bond Owner as shown in the Registration Books, of any notice with respect to the Series 2015 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2015 Bonds to be redeemed in the event the Successor Agency elects to redeem the Series 2015 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2015 Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series 2015 Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series 2015 Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Series 2015 Bond is registered as the absolute owner of such Series 2015 Bond for the purpose of payment of principal of and premium, if any, and interest on such Series 2015 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2015 Bond, for the purpose of registering transfers of ownership of such Series 2015 Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Series 2015 Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Series 2015 Bonds to the extent of the sum or sums so paid. No person other than a Series 2015 Bond Owner shall receive a Series 2015 Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2015 Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Series 2015 Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2015 Bonds other than the Series 2015 Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Series 2015 Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Series 2015 Bonds, or (ii) the

Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Series 2015 Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2015 Bonds, and by surrendering the Series 2015 Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2015 Bonds are to be issued. The Depository, by accepting delivery of the Series 2015 Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Series 2015 Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Series 2015 Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the Series 2015 Bonds that they be able to obtain certificated Series 2015 Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated Series 2015 Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Series 2015 Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Series 2015 Bonds to any Depository System Participant having Series 2015 Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Series 2015 Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2015 Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Series 2015 Bond and all notices with respect to such Series 2015 Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF SERIES 2015 BONDS ISSUANCE OF PARITY DEBT

Section 3.01. Issuance of Series 2015 Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver the Series 2015A Bonds in the aggregate principal amount of \$84,710,000 and the Series 2015B Bonds in the aggregate principal amount of \$139,285,000 to the Trustee, and the Trustee shall authenticate and deliver the Series 2015A Bonds and the Series 2015B Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

Section 3.02. Deposit and Application of Proceeds.

(i) *Series 2015A Bonds.* On the Closing Date, the Original Purchaser shall purchase the Series 2015A Bonds for a purchase price of \$96,723,436.93 (being the initial aggregate principal amount of the Series 2015A Bonds of \$84,710,000.00 *plus* original issue premium of \$12,381,066.70, and *less* Original Purchasers' discount of \$367,629.77). The Trustee who shall forthwith set aside, pay over and deposit such proceeds, *less* the amount of \$101,527.51 paid to AGM by the Original Purchaser, as follows (provided that the details of the receipt and deposit of such proceeds shall be set forth in a closing instruction from the Agency to the Trustee):

(a) Transfer the amount of \$33,691,806.58 to the Series 2001A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2001A Bonds Escrow Agreement;

(b) Transfer the amount of \$38,860,697.09 to the Series 2003A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2003A Bonds Escrow Agreement;

(c) Transfer the amount of \$23,827,494.87 to the Series 2005A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2005A Bonds Escrow Agreement; and

(d) Deposit the amount of \$241,910.88 in the Costs of Issuance Fund.

The Trustee may establish one or more temporary funds or accounts to facilitate such deposits and transfers.

(ii) *Series 2015B Bonds.* On the Closing Date, the Original Purchaser shall purchase the Series 2015B Bonds for a purchase price of \$137,901,732.77 (being the initial aggregate principal amount of the Series 2015B Bonds of \$139,285,000 *less* original issue discount of \$747,190.75, and *less* Original Purchasers' discount of \$636,076.48). The Trustee who shall forthwith set aside, pay over and deposit such proceeds, *less* the amount of \$166,937.28 paid to AGM by the Original Purchaser, as follows (provided that the details of the receipt and deposit of such proceeds shall be set forth in a closing instruction from the Agency to the Trustee):

(a) Transfer the amount of \$4,885,203.16 to the Series 1997A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 1997A Bonds Escrow Agreement;

(b) Transfer the amount of \$4,063,700.81 to the Series 1998A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 1998A Bonds Escrow Agreement;

(c) Transfer the amount of \$2,930,888.68 to the Series 2001A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2001A Bonds Escrow Agreement;

(d) Transfer the amount of \$6,854,484.28 to the Series 2003A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2003A Bonds Escrow Agreement;

(e) Transfer the amount of \$14,435,352.75 to the Series 2003B Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2003B Bonds Escrow Agreement;

(f) Transfer the amount of \$23,430,073.83 to the Series 2005B Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2005B Bonds Escrow Agreement;

(g) Transfer the amount of \$49,880,999.32 to the Series 2005C Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2005C Bonds Escrow Agreement;

(h) Transfer the amount of \$30,860,875.25 to the Series 2006A Bonds Escrow Bank for deposit in the Escrow Fund established pursuant to the Series 2006A Bonds Escrow Agreement; and

(i) Deposit the amount of \$393,217.41 in the Costs of Issuance Fund.

The Trustee may establish one or more temporary funds or accounts to facilitate such deposits and transfers.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date six months following the Closing Date, or upon the earlier Written Request of the Successor Agency stating that all known Costs of Issuance have been paid, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund and the Costs of Issuance Fund shall be closed.

Section 3.04. Issuance of Parity Debt. In addition to the Series 2015 Bonds, the Successor Agency may issue or incur additional Parity Debt in such principal amount as shall be determined by the Successor Agency for purposes of refunding any existing debt of the Successor Agency so long as Section 34177.5(a) of the Redevelopment Law has been satisfied. The Successor Agency may issue and deliver any Parity Debt subject to the following specific conditions that are hereby made conditions precedent to the issuance and delivery of such Parity Debt issued under this Section:

(a) No Event of Default shall have occurred and be continuing, and the Successor Agency shall otherwise be in compliance with all covenants set forth in this Indenture.

(b) The Successor Agency shall fund a reserve account relating to such Parity Debt in an amount equal to the Reserve Requirement.

(c) The Successor Agency shall deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

Section 3.05. Issuance of Subordinate Debt. The Successor Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Successor Agency. Such Subordinate Debt may be payable from any assets or property of the Successor Agency, including Pledged Tax Revenues on a subordinate basis to the payment of debt service on the Series 2015 Bonds and any Parity Debt.

Section 3.06. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Projects or upon the performance by any person of its obligation with respect to the Redevelopment Projects.

Section 3.07. Successor Agency Project Fund. There is hereby established a fund to be held by the Trustee known as the "Successor Agency Project Fund" and within the Successor Agency Project Fund the "Project Area 2 Account" and the "Project Area 3 Account." The moneys set aside and placed in such accounts shall remain therein until from time to time expended solely for the purpose of financing the costs of capital improvements and other costs, all as authorized pursuant to the Redevelopment Law.

On the Closing Date the Trustee is directed to receive and deposit the following:

(a) the amount of \$18,090,370.62 from the Series 2005C Trustee for deposit in the Project Area 2 Account of the Redevelopment Fund; and

(b) the amount of \$18,619,789.73 from the Series 2006A Trustee for deposit in the Project Area 3 Account of the Redevelopment Fund.

Upon receipt of a payment request in a form satisfactory to the Trustee and executed by Authorized Representative of the Successor Agency in payment of or reimbursement of the payments of costs that are certified in such payment request to be properly chargeable to the applicable account of the Redevelopment Fund, the Trustee shall disburse moneys from such account in the amount(s) and directly to the person(s) or entity(ies) specified in such payment

request. The Trustee may rely on a Payment Request executed by an Authorized Representative of the Successor Agency as complete authorization for the payment(s) specified therein.

If any moneys remain on deposit in either account of the Redevelopment Fund after the full accomplishment of the object and purposes for which such moneys may be expended pursuant to the Redevelopment Law as evidenced by a written certificate executed by an Authorized Representative of the Successor Agency, such funds shall be transferred by the Trustee as directed in such certificate to the Debt Service Fund and such moneys will, as directed in such certificate, be utilized to pay scheduled debt service on the Series 2015 Bonds, to optionally redeem Series 2015B Bonds pursuant to Section 2.03(a) hereto or to defease Series 2015B Bonds pursuant to 9.03 hereto.

Section 3.08. Transfers to Debt Service Fund. On the Closing Date the Trustee is directed to receive and deposit in the Interest Account of the Debt Service Fund the following:

- (a) the amount of \$33,076.54 from the Series 1997A Trustee;
- (b) the amount of \$28,629.01 from the Series 1998A Trustee;
- (c) the amount of \$324,094.91 from the Series 2001A Trustee;
- (d) the amount of \$407,523.92 from the Series 2003A Trustee;
- (e) the amount of \$117,078.92 from the Series 2003B Trustee;
- (f) the amount of \$218,754.86 from the Series 2005A Trustee;
- (g) the amount of \$187,554.07 from the Series 2005B Trustee;
- (h) the amount of \$469,195.23 from the Series 2005C Trustee; and
- (i) the amount of \$266,923.87 from the Series 2006A Trustee.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS INVESTMENTS

Section 4.01. Pledge of Pledged Tax Revenues. Except as provided in Section 6.06, the Series 2015 Bonds and all Parity Debt, shall be secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues. In addition, the Series 2015 Bonds, and any other Parity Debt, shall, subject to Section 8.02, be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Redemption Account and the Reserve Account. Such pledge, security interest in and lien shall be for the equal security of the Outstanding Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues and such moneys, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Series 2015 Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Series 2015 Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Series 2015 Bonds without preference, priority or distinction as to security or otherwise of any of the Series 2015 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Pledged Tax Revenues. There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to Section 34170.5(b) of the California Health and Safety Code. There is hereby established a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture.

The Successor Agency shall take all actions required under the Dissolution Act to include each ROPS to be submitted after the effective date of this Indenture, so to enable the County Auditor-Controller to distribute from the RPTTF to the Successor Agency, for deposit into the Redevelopment Obligation Retirement Fund on each RPTTF disbursement date, the following amounts: (i) the interest payment coming due with respect to the Outstanding Bonds during such ROPS Period, (ii) for ROPS which covers payment from January through June of any calendar year, at least one-half of the principal amount coming due with respect to the Bonds on October 1st of such calendar year (the "Principal Reserve"), (iii) for ROPS which covers payments from July through December of any calendar year, an amount equal to the principal amount coming due on October 1st of such calendar year, less the Principal Reserve already received in connection with the immediately prior ROPS and deposited with the Trustee, and (iv) any amount required under this Indenture to replenish the Reserve Account, if required pursuant to

Section 4.03(d) or Section 4.06 of this Indenture (and any provision amendatory thereto as set forth in supplement indentures).

The Successor Agency shall deposit all of the Pledged Tax Revenues received from each distribution of Pledged Tax Revenues in any Bond Year commencing on the first day of such Bond Year from the RPTTF in accordance with the Dissolution Act for the purpose of paying debt service on the Series 2015 Bonds and any Parity Debt in the Redevelopment Obligation Retirement Fund immediately upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account and the Reserve Account in the each six month period of such Bond Year pursuant to Section 4.03 of this Indenture and for deposit in each such six month period of each Bond Year in the funds and accounts established with respect to Parity Bonds, as provided in any Supplemental Indenture.

Section 4.03. Debt Service Fund; Transfer of Amounts to Trustee. Moneys in the Debt Service Fund shall be transferred in the following amounts at the following times, in the following respective special accounts within the Debt Service Fund, which accounts are hereby established with the Trustee to pay debt service on the Series 2015 Bonds and any Parity Debt not otherwise provided for in a Parity Debt Instrument, in the following order of priority:

(a) Interest Account. On or before the fourth (4th) Business Day preceding each date on which interest on the Series 2015 Bonds and any such Parity Debt becomes due and payable, the Trustee shall withdraw from the Debt Service Fund and transfer to the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Series 2015 Bonds and any such Parity Debt on such date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the Interest Payment Date upon all of the Outstanding Series 2015 Bonds and any such Parity Debt. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Series 2015 Bonds and any such Parity Debt purchased or redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fourth (4th) Business Day preceding each date on which principal of the Series 2015 Bonds and any such Parity Debt becomes due and payable at maturity, the Trustee shall withdraw from the Debt Service Fund and transfer to the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Outstanding Series 2015 Bonds and any such Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Series 2015 Bonds and any such Parity Debt upon the maturity thereof.

(c) Sinking Account. On or before the fourth (4th) Business Day preceding each date on which any Outstanding Series 2015B Term Bonds become subject to mandatory Sinking Account redemption, the Successor Agency shall withdraw from the Debt Service Fund

and transfer to the Trustee for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Series 2015B Term Bonds required subject to mandatory Sinking Account redemption on such date. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Series 2015B Term Bonds as it shall become due and payable upon the mandatory Sinking Account redemption thereof.

(d) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency pursuant to this Section 4.03 and pursuant to any other Parity Debt Instrument, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds and any Parity Debt. The Reserve Requirement for the Series 2015 Bonds will be satisfied by the delivery of the Reserve Policy by AGM on the Closing Date with respect to the Series 2015 Bonds. The Successor Agency will have no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time that the Series 2015 Bonds are Outstanding, amounts are not available under the Reserve Policy other than in connection with a draw on the Reserve Policy.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of securing separate series of Bonds or Parity Debt or for holding the proceeds of separate issues of the Bonds and any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Debt. The Reserve Policy will be held in a sub-account as security solely for the Series 2015 Bonds.

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are subject to redemption, other than mandatory Sinking Account redemption of Series 2015 Term Bonds, the Trustee shall withdraw from the Debt Service Fund for deposit in the Redemption Account an amount required to pay the principal of and premium, if any, on the Series 2015 Bonds or other Parity Debt to be so redeemed on such date. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Series 2015 Bonds or other Parity Debt upon the redemption thereof, on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds.

(f) Equal Rights. It is the intention of the Successor Agency that the Series 2015 Bonds and Parity Debt shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Retirement Fund on an equal basis but subordinate to the Housing Bonds. To the extent that moneys deposited in the Redevelopment Obligation Retirement Fund are insufficient to pay debt service on the Series 2015 Bonds and Parity Debt as it becomes due, the Series 2015 Bonds and Parity Debt shall be payable on a pro-rata basis from all available

moneys deposited in the Redevelopment Obligation Retirement Fund. Additionally, any moneys which remain in the Debt Service Fund after payment of principal of and interest on the Bonds shall be used to pay AGM for any other unpaid advances under the Reserve Policy and other amounts as provided by Section 4.06.

In the event that the Successor Agency fails to make the deposits required pursuant to (a), (b) or (c) above, the Trustee shall immediately notify the Successor Agency.

Section 4.04. Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account shall be invested by the Trustee in Permitted Investments specified in the Request of the Successor Agency (which Request shall be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two (2) Business Days in advance of the making of such investments; *provided, however*, that in the absence of any such direction from the Successor Agency, the Trustee shall hold any such moneys uninvested. Moneys in the Redevelopment Obligation Retirement Fund shall be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest funds within its control.

Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. Whenever in this Indenture any moneys are required to be transferred by the Successor Agency to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account; *provided, however*, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. No Permitted Investment of moneys in the Reserve Account shall have a maturity in excess of five (5) years following the date of its acquisition. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the Successor Agency. The Trustee may act as principal or agent in the acquisition or disposition of any investment, may utilize the investment departments of its affiliates to complete each transaction and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section. The Successor Agency acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Successor Agency the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee shall furnish to the Successor Agency periodic statements which include detail of all investment transactions made by the Trustee. Upon the Successor Agency's election, such statements will be delivered by the Trustee via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

Section 4.05. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Certificate or Request of the Successor Agency.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and investments in the Reserve Account shall be valued at cost thereof, (consisting of present value thereof, as determined by the Successor Agency, within the meaning of Section 148 of the Tax Code); provided that the Successor Agency shall inform the Trustee which funds are subject to a yield restriction.

(c) Except as provided in the proceeding subsection (b), with respect to a yield restriction, for the purpose of determining the amount in any fund, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least annually at the market value thereof. For purposes of valuation, the Trustee shall be entitled to utilize any pricing services it considers reliable. The Trustee may sell in any commercially reasonable manner, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from sale or redemption of any such Permitted Investment.

Section 4.06. Provisions Relating to Reserve Policy. So long as the Reserve Policy remains in force and effect, or any amounts are owed to AGM, the following provisions shall govern and control notwithstanding anything to the contrary set forth in this Indenture.

(a) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by AGM and shall pay interest thereon from the date of payment by AGM at the Late Payment Rate. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party, be applied as additional interest for any later periods of time when amounts are outstanding under this Indenture to the extent that interest otherwise due under this Indenture for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by AGM, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and AGM had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate Policy Costs related to such draw.

The Successor Agency shall take all actions required by the Dissolution Act to ensure that Policy Costs are paid to AGM when due, including the submittal of Recognized Obligation Payment Schedules providing for Policy Costs that are payable to AGM.

Amounts in respect of Policy Costs paid to AGM shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to AGM on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on the Pledged Tax Revenues (subject only to the priority of payment provisions set forth hereunder).

All cash and investments in the Reserve Account shall be transferred to the Interest Account, the Principal Account and the Sinking Account for payment of debt service on the Series 2015 Bonds before any drawing may be made on the Reserve Policy or any other Credit Facility. Payment of Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) Upon a failure to pay Policy Costs when due or any other breach of terms of this Section 4.06, AGM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, other than (i) acceleration of the maturity of the Series 2015 Bonds or (ii) remedies which would adversely affect owners of the Series 2015 Bonds.

(c) The Indenture shall not be discharged until all Policy Costs owing to AGM shall have been paid in full. The Successor Agency's obligation to pay such amounts shall expressly survive payment in full of the Series 2015 Bonds.

(d) The Successor Agency shall include any Policy Costs then due and owing AGM in the calculation of the additional bonds test in this Indenture.

(e) The prior written consent of AGM shall be a condition precedent to the deposit of any Credit Facility credited to the Reserve Account established for the Series 2015 Bonds in lieu of a cash deposit into the Reserve Account. Amounts drawn under the Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2015 Bonds when due.

(f) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subparagraph (a) hereof and provide notice to AGM in accordance with the terms of the Reserve Policy at least four (4) Business Days prior to each date upon which interest or principal is due on the Series 2015 Bonds. Where deposits are required to be made by the Successor Agency with the Trustee to the Interest Account and the Principal Account for the Series 2015 Bonds more often than semi-annually, the Trustee shall be instructed to give notice to AGM of any failure of the Successor Agency to make timely payment in full of such deposits within two (2) Business Days of the date due.

(g) The Successor Agency will pay or reimburse AGM any and all charges, fees, costs, losses, liabilities and expenses which AGM may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Indenture or any Related Documents, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Successor Agency) relating to this Indenture or any other Related Document, any party to this Indenture or any other Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations hereunder or any other Related Document, if any, or the pursuit of any remedies hereunder or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver, or other action with respect to, or related to this Indenture, the Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by AGM to cure a default or termination or similar event (or to mitigate the effect thereof) hereunder or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of AGM spent in connection with the actions described in clauses (ii) through (v) above. AGM reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture or any other Related Document. Amounts payable by the Successor Agency shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by AGM until the date AGM is paid in full.

(h) The obligation of the Successor Agency to pay all amounts due to AGM shall be an absolute and unconditional obligation of the Successor Agency and will be paid or performed strictly in accordance with the provisions of this Section 4.06, irrespective of: (i) any lack of validity or enforceability of or any amendment or modifications of, or waiver with respect to the Series 2015 Bonds, the Indenture or any other Related Document; (ii) any amendment or other modification of, or waiver with respect to the Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the Series 2015 Bonds, this Indenture or any other Related Documents; (iv) whether or not such Series 2015 Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the Reserve Policy, this Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Successor Agency may have at any time against the Trustee or any other person or entity other than AGM, whether in connection with the transactions contemplated herein or in any other

Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by AGM under the Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Reserve Policy.

(i) The Successor Agency shall fully observe, perform and fulfill each of the provisions (as each of these provisions may be amended, supplemented, modified or waived with the prior written consent of AGM) of this Indenture applicable to it. No provision of this Indenture or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of AGM, in any material respect or otherwise in a manner that could adversely affect the payment obligations of the Successor Agency hereunder or the priority accorded to the reimbursement of Policy Costs hereunder. AGM is expressly made a third party beneficiary of this Indenture and each other Related Document.

(j) The Successor Agency covenants to provide to AGM, promptly upon request, any information regarding the Series 2015 Bonds or the financial condition and operations of the Successor Agency as reasonably requested by AGM. The Successor Agency will permit AGM to discuss the affairs, finances and accounts of the Successor Agency or any information AGM may reasonably request regarding the security for the Series 2015 Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable AGM to have access to the facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice.

(k) Notices and other information to AGM shall be sent to the following address (or such other address as AGM may designate in writing): Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 216962-S.

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Series 2015 Bonds and Parity Debt in strict conformity with the terms of the Series 2015 Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, if any, executed and delivered by the Successor Agency. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Continuing Disclosure Certificate shall not constitute an Event of Default hereunder; provided, however, that any Participating Underwriter (as such term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Series 2015 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.02.

Section 5.03. Limitation on Additional Indebtedness. The Successor Agency hereby covenants that so long as any of the Series 2015 Bonds remain Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations which are otherwise secured on a basis which is senior to the pledge and lien which secures the Series 2015 Bonds. The Successor Agency hereby covenants that it shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues, excepting only the Series 2015 Bonds and Parity Debt, any Subordinate Debt and any obligations entered into pursuant to Section 5.10.

Section 5.04. Extension of Payment of Series 2015 Bonds. The Successor Agency shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Outstanding Bonds and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Successor Agency to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 5.05. Payment of Claims. The Successor Agency shall pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Pledged Tax Revenues or any part thereof, or upon any funds held by the Trustee

pursuant hereto, or which might impair the security of the Bonds or any Parity Debt. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

Section 5.06. Books and Accounts; Financial Statements. The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the County, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Projects, the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared and delivered to the Trustee annually, within one hundred and eighty (180) days after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements from the Redevelopment Obligation Retirement Fund and the financial condition of the Redevelopment Projects, including the balances in all funds and accounts relating to the Redevelopment Projects, as of the end of such Fiscal Year. In accordance with Section 6.03(e), the Trustee shall not be responsible for reviewing such financial statements. The Successor Agency shall furnish a copy of such statements to any Owner upon reasonable request and at the expense of such Owner. In addition, the Successor Agency shall deliver the Successor Agency's annual budget to any Owner upon the written request of such Owner.

Section 5.07. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the date of issuance of any Bonds, such Bonds shall be incontestable by the Successor Agency.

Section 5.08. Payments of Taxes and Other Charges. The Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Redevelopment Projects or any part thereof.

Section 5.09. Disposition of Property. Except as otherwise required by the Dissolution Act, the Successor Agency will not participate in the disposition of any land or real property in the Project Areas to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property that, as of the date of this Indenture, has been dedicated for public right-of-way or is planned for public ownership or use) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the Project Areas unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in

such a disposition, it shall thereupon appoint an Independent Fiscal Consultant to report on the effect of said proposed disposition. If the report of the Independent Fiscal Consultant concludes that the security of the Bonds or the rights of the Owners will not be materially adversely impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If such report concludes that such security will be materially adversely impaired by the proposed disposition, the Successor Agency shall not approve the proposed disposition.

Section 5.10. Maintenance of Pledged Tax Revenues. The Successor Agency shall comply with all requirements of the Redevelopment Law to ensure the allocation and payment to it of the Pledged Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State of California. The Successor Agency shall not enter into any agreement with the County or any other governmental unit which would have the effect of reducing the amount of Pledged Tax Revenues available to the Successor Agency for payment of the Bonds. The Successor Agency shall not undertake proceedings for amendment of the Redevelopment Plans or any one or more of the Redevelopment Plans if such amendment shall result in payments to one of more taxing entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law unless the Successor Agency shall first obtain a written opinion of an Independent Redevelopment Consultant that such payments will not adversely impair the Successor Agency's ability to pay the Series 2015 Bonds and all Parity Debt. Nothing herein is intended or shall be construed in any way to prohibit or impose any limitations on the entering into by the Successor Agency of any such agreement, amendment or supplement which by its term is subordinate to the payment of the Series 2015 Bonds and all Parity Debt.

Section 5.11. Compliance with the Redevelopment Law; Recognized Obligation Payment Schedules. The Successor Agency shall comply with all of the requirements of the Redevelopment Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the Series 2015 Bonds and any Parity Debt, as well as any amount required under this Indenture to replenish the Reserve Accounts of the Debt Service Fund, in Recognized Obligation Payment Schedules for each six-month period so as to enable the San Diego County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective six-month period. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture and to provide for the payment of principal and interest under this Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture for the next payment due thereunder and hereunder in the following six-month period.

Section 5.12. Tax Covenants Relating to the Series 2015A Bonds.

(a) Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the Series 2015A Bonds are not so used as to cause the Series 2015A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2015A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2015A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series 2015A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Series 2015A Bonds from the gross income of the Owners of the Series 2015A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date. This covenant shall remain in full force and effect following defeasance of the Series 2015A Bonds pursuant to Section 9.03.

(e) Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2015A Bonds.

The Trustee shall have no duty to monitor the compliance by the Successor Agency with any of the covenants contained in this Section 5.12.

Section 5.13. Plan Limitations; Annual Review of Pledged Tax Revenues. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Tax Revenues available under the Plan Limitations in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the Series 2015 Bonds and any Parity Debt when due.

Additionally, the Successor Agency hereby covenants that, if it is determined that the Plan Limitations apply to the Successor Agency, it will annually review, no later than December 1 of each year, the total amount of tax increment revenue remaining available to be received by the Successor Agency under the Plan Limitations, as well as future cumulative Annual Debt Service, any obligations of the Successor Agency payable from tax increment revenues that are senior to the Series 2015 Bonds, and payments on obligations that are subordinate to the Series 2015 Bonds. If, based on such review, the allocation of tax increment revenues to the Successor Agency in any of the next three succeeding Fiscal Years will cause an amount equal to ninety-five (95%) of the amount remaining under the Plan Limitations to fall below the sum of (i)

remaining cumulative Annual Debt Service, (ii) any obligations of the Successor Agency payable from tax increment revenues that are senior to the Series 2015 Bonds, and (iii) payments on obligations that are subordinate to the Series 2015 Bonds, the Successor Agency shall either (1) defease Series 2015 Bonds or Parity Debt by depositing an amount of Pledged Tax Revenues equal to the amount that is required to ensure continuing compliance with the first paragraph of this Section 5.13 in a defeasance escrow to be held by the Trustee and to be pledged solely to the payment of debt service on the Series 2015 Bonds or Parity Debt, which escrow shall be invested in Defeasance Obligations and used for the payment of interest on and principal of and redemption premiums, if any, on the Series 2015 Bonds or Parity Debt or (2) adopt a plan approved by an Independent Redevelopment Consultant which demonstrates the Successor Agency's continuing ability to pay debt service on the Series 2015 Bonds and Parity Debt. In determining the amount to be deposited in escrow with the Trustee, the Successor Agency may consider actual interest earnings on the amounts so deposited.

The Trustee shall not be responsible for monitoring or enforcing the requirements of this Section 5.13.

Section 5.14. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority of the principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency, and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein;

but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Owners at the addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall (i) be a company or bank having trust powers, (ii), shall have an office in the State of California or such other state as shall be acceptable to the Successor Agency, (iii) have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least Seventy Fifty Million Dollars (\$75,000,000), and (iv) be subject to supervision or examination by federal or state authority. If such bank or company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall promptly resign in the manner and with the effect specified in subsection (c) of this Section.

Section 6.02. Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of any offering memorandum, this Indenture or of the Bonds nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible

for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority of the principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the Successor Agency.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Successor Agency, accompanied by an opinion of Bond counsel, or in accordance with direction of the Owners of not less than a majority of the principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee shall have actual knowledge thereof, or the Trustee shall have received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the Successor Agency's payment of principal and interest on the Bonds, the observance or performance by the Successor Agency of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be responsible for reviewing the contents of any financial statements furnished to the Trustee pursuant to Section 5.06 and may rely conclusively on the Written Certificate of the Successor Agency accompanying such financial statements to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(f) No provision in this Indenture shall require the Trustee to risk, expend, or advance its own funds or otherwise incur any financial liability hereunder. However, if the Trustee elects to advance funds, it shall be entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(g) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(h) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

(i) Before taking any action under Article VIII or this Article at the request of the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(j) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(k) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (ii) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (iii) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 6.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the Successor Agency, with regard to legal questions, and

the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but shall have no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable. The Trustee may conclusively rely on any certificate or Report of any Independent Accountant or Independent Fiscal Consultant appointed by the Successor Agency.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during normal business hours, and upon reasonable prior written notice, to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing.

Section 6.06. Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a first lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII.

The Successor Agency further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents affiliates and employees, harmless against any loss, expense, including legal fees and expenses, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents affiliates or employees. The obligations of the Successor Agency under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting (which may be in the form of its customary statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.08. Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-Trustee. The following provisions of this Section 6.08 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-Trustee but only to the extent necessary to enable such separate or co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-Trustee shall run to and be enforceable by either of them, provided that in the event of any conflict, the co-Trustee shall defer to the Trustee.

Should any instrument in writing from the Successor Agency be required by the separate Trustee or co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Successor Agency. In case any separate Trustee or co-Trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or co-Trustee.

The Trustee may perform any of its obligations or duties hereunder and under any related documents through agents or attorneys and shall not be responsible for the acts of any such agents or attorneys appointed by it with due care.

Section 6.09. No Liability for Successor Agency Performance. The Trustee shall have no liability or obligation to the Bond Owners with respect to the payment of debt service by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants, and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held, or maintained by the Successor Agency pursuant to this Indenture.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Authorized Amendments. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, but without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes-

(a) to add to the covenants and agreements of the Successor Agency contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the Successor Agency provided such addition, limit, or surrender shall not materially adversely effect the interest of the Owners as determined by the Successor Agency and certified to the Trustee; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Debt pursuant to Section 3.04, and to provide the terms and conditions under which such Parity Debt may be issued, including but not limited to the establishment of special funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 3.04; or

(d) to amend any provision hereof to assure the exclusion from gross income of interest on the Series 2015A Bonds for federal income tax purposes, in the opinion of Bond Counsel filed with the Successor Agency and the Trustee; or

(e) to comply with the requirements of the provider, if any, of a Credit Facility.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Owners of a majority of the principal amount of the Bonds then Outstanding are delivered to the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the Successor Agency the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and shall be protected in relying, upon an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default and Acceleration of Maturities. Each of the following events shall constitute an Event of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Successor Agency to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Successor Agency by the Trustee; *provided, however*, if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Successor Agency within such thirty (30) day period and the Successor Agency shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Successor Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

If an Event of Default has occurred and is continuing, the Trustee may, and if requested in writing by the Owners of a majority of the principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) upon receipt of indemnity satisfactory to it from any liability or expense, including payment of the fees and expenses of its counsel and agents, exercise any other remedies available to the Trustee and the Owners in law or at equity. The Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Pledged Tax Revenues, if appropriate, and for the revenues, income, product, and profits thereon, if any, *ex parte*, and without notice, and the Successor Agency consents to the appointment of such receiver upon the occurrence of an Event of Default. If any receivership, bankruptcy, insolvency, or reorganization or other judicial proceedings affecting the Successor Agency is filed, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under this Indenture at the time of the institution of such proceedings, and also for any additional amount which may become due and payable after such date, without prejudice to the right of any Owner to file a claim on his own behalf. The Trustee shall not be obligated to take any such action unless offered compensation,

indemnity for its potential liability, and reimbursement for its legal fees and expenses in accordance with this Section.

Promptly upon obtaining actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (b) above the Trustee shall, and with respect to any Event of Default described in clause (c) above the Trustee in its sole discretion may, also give such notice to the Owners in the same manner as provided herein for notices of redemption of the Bonds, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law) at the weighted average interest rate then borne by the Outstanding Bonds, and the fees and expenses of the Trustee, including any fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of a majority of the principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Pledged Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the Trustee pursuant to Section 6.06, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law;

(b) To the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority of the principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority of the principal amount of the Bonds then Outstanding opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation accompanied, if requested by the Trustee, by indemnity or confirmation of indemnity as described in Section 8.01.

Section 8.04. Limitation on Owners' Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority of the principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners when due and payable as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner or the Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Trustee and Owners by the Redevelopment Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Trustee, Agency, or Owners, the Successor Agency, Trustee, and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI.

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Redevelopment Law or any other law.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, AGM and the Owners, any right, remedy, claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, AGM and the Owners.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Defeasance of Bonds.

If the Successor Agency shall pay and discharge the entire indebtedness on any Bonds in any one or more of the following ways:

(i) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee or another fiduciary, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, in the opinion or report of an Independent Accountant is fully sufficient to pay such Bonds, including all principal, interest and redemption premium, if any;

(iii) by irrevocably depositing with the Trustee or another fiduciary, in trust, non-callable Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium, if any) at or before maturity; or

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any such Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to such

Bonds shall cease and terminate, except only (A) the obligations of the Successor Agency under Section 5.11, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligation of the Successor Agency to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and (D) the obligations of the Successor Agency to compensate and indemnify the Trustee pursuant to Section 6.06. Notice of such election shall be filed with the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provisions, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the Successor Agency.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee in good faith and in accordance therewith.

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided however that the Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is the owner or is holding for the account of the Successor Agency.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Successor Agency of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, upon receipt by the Trustee of the Request of the Successor Agency a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.08. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, with prompt written confirmation by mail, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The Successor Agency or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Successor Agency: Successor Agency to the San Marcos Redevelopment
Agency
One Civic Center Drive
San Marcos, CA
Attention: Executive Director
Fax: (760) 744-9520

If to the Trustee: MUFG Union Bank, N.A.
120 South San Pedro Street, Suite 400
Los Angeles, California 90012
Attention: Corporate Trust Division
Fax: (213) 972-5694
email: melonee.young@unionbank.com
with a copy to:
AccountAdministration-CorporateTrust@unionbank.com

Section 9.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency and the Trustee hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium

(if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

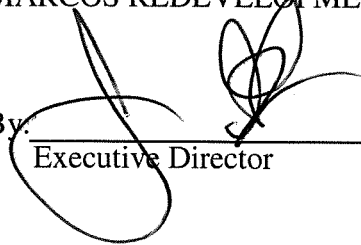
Section 9.11. Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

Section 9.12. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

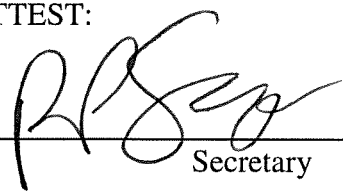
Section 9.13. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By:  _____
Executive Director

ATTEST:

 _____
Secretary

MUFG UNION BANK, N.A.,
as Trustee

By: _____
Authorized Officer

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
Executive Director

ATTEST:

Secretary

MUFG UNION BANK, N.A.,
as Trustee

By: Melanie Gray
Authorized Officer

EXHIBIT A

FORM OF SERIES 2015A BOND

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

**SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BOND, SERIES 2015A**

RATE OF
INTEREST

MATURITY DATE:

ORIGINAL ISSUE
DATE:
[Closing Date]

[CUSIP:]

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Agency"), for value received, hereby promises to pay (but only out of the Pledged Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to September 15, 2015, in which event it shall bear interest from the Original Issue Date identified above; *provided, however*, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on April 1 and October 1 in each year, commencing October 1, 2015 (the "Interest Payment Dates"), until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the principal corporate trust office of MUFG Union Bank, N.A., as trustee (the "Trustee"), in Los Angeles, California or such other location as the trustee may designate. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written request of the owner of at least \$1,000,000

aggregate principal amount of Bonds, which written request is on file with the Trustee prior to any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the "Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A" (the "Series 2015A Bonds" or "Bonds") of an aggregate principal amount of Eighty Four Million Seven Hundred Ten Thousand Dollars (\$84,710,000) all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law") and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Redevelopment Law"), and pursuant to an Indenture of Trust, dated as of July 1, 2015, by and between the Successor Agency and the Trustee (the "Indenture"). Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing its Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2015B (the "Series 2015B Bonds"). The Successor Agency may issue or incur additional obligations on a parity with the Bonds and the Series 2015B Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Refunding Law and the Redevelopment Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Series 2015A Bonds have been issued by the Successor Agency to finance and refinance redevelopment activities of the Successor Agency. This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Areas, duly designated redevelopment projects under the laws of the State of California, under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Pledged Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest and premium (if any) on the Bonds, the Series 2015B Bonds and any such parity obligations. The Bonds, the Series 2015B Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Pledged Tax Revenues which is subordinate to or on a parity with the pledge, security interest and lien on the Pledged Tax Revenues in favor of certain outstanding obligations of the Successor Agency, as provided in the Indenture. Notwithstanding the foregoing, certain amounts out of Pledged Tax Revenues may be applied for other purposes as provided in the Indenture.

This Series 2015A Bond is not a debt of the County of San Diego, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Pledged Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the Bond owners required to effect any such modification or amendment.

The Series 2015A Bonds maturing on or before October 1, 2025, are not subject to optional redemption prior to maturity. The Bonds maturing on and after October 1, 2026, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 2025, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series 2015A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

In lieu of redemption of Series 2015A Bonds amounts on deposit in the Debt Service Fund (as defined in the Indenture) may be withdrawn and used at the direction of the Successor Agency at any time to purchase such Series 2015A Bonds at public or private sale at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any such 2015A Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 will be credited toward, and will

reduce the par amount of, Series 2015A Bonds required to be redeemed pursuant to the Indenture on the next succeeding October 1 of such year.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Series 2015A Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in Los Angeles, California or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chair and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____

MUFG UNION BANK, N.A., *as Trustee*

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

_____ attorney,
to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B

FORM OF SERIES 2015B BOND

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

**SUCCESSOR AGENCY TO THE
SAN MARCOS REDEVELOPMENT AGENCY
TAXABLE TAX ALLOCATION REFUNDING BOND, SERIES 2015B**

RATE OF INTEREST: MATURITY DATE: ORIGINAL ISSUE [CUSIP:]
DATE:
[Closing Date]

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Agency"), for value received, hereby promises to pay (but only out of the Pledged Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to September 15, 2015, in which event it shall bear interest from the Original Issue Date identified above; *provided, however*, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on April 1 and October 1 in each year, commencing October 1, 2015 (the "Interest Payment Dates"), until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the principal corporate trust office of MUFG Union Bank, N.A., as trustee (the "Trustee"), in Los Angeles, California or such other location as the trustee may designate. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds, which written request is on file with the Trustee prior to

any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the "Successor Agency to the San Marcos Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2015B" (the "Series 2015B Bonds" or "Bonds") of an aggregate principal amount of One Hundred Thirty Nine Million Two Hundred Eighty-Five Thousand Dollars (\$139,285,000) all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law") and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Redevelopment Law"), and pursuant to an Indenture of Trust, dated as of July 1, 2015, by and between the Successor Agency and the Trustee (the "Indenture"). Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing its Successor Agency to the San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A (the "Series 2015A Bonds"). The Successor Agency may issue or incur additional obligations on a parity with the Bonds and the Series 2015A Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Refunding Law and the Redevelopment Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Series 2015B Bonds have been issued by the Successor Agency to finance and refinance redevelopment activities of the Successor Agency. This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Areas, duly designated redevelopment projects under the laws of the State of California, under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Pledged Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest and premium (if any) on the Bonds, the Series 2015A Bonds and any such parity obligations. The Bonds, the Series 2015A Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Pledged Tax Revenues which is subordinate to or on a parity with the pledge, security interest and lien on the Pledged Tax Revenues in favor of certain outstanding obligations of the Successor Agency, as provided in the Indenture. Notwithstanding the foregoing, certain amounts out of Pledged Tax Revenues may be applied for other purposes as provided in the Indenture.

This Series 2015B Bond is not a debt of the County of San Diego, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Pledged Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the Bond owners required to effect any such modification or amendment.

The Series 2015B Bonds maturing on or before October 1, 2025, are not subject to optional redemption prior to maturity. The Bonds maturing on and after October 1, 2026, other than the Series 2015B Bonds maturing on October 1, 2029, which are not subject to optional redemption prior to maturity, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, 2025, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series 2015B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Series 2015B Bonds maturing on October 1, 2024, October 1, 2027, October 1, 2029, October 1, 2034 and October 1, 2038 are subject to mandatory sinking account redemption in part by lot, on October 1 in each of the years as set forth in the following tables, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium; *provided, however*, that if some but not all of such Bonds have been optionally redeemed pursuant to the preceding paragraph, the total amount of all Bonds to be redeemed thereafter from mandatory sinking account payments shall be reduced on a pro rata basis in integral multiples of \$5,000.

Term Bonds Maturing October 1, 2024

Sinking Account Redemption Date (October 1)	Principal Amount To be Redeemed or Purchased
2023	\$5,965,000
2024 (maturity)	6,185,000

Term Bonds Maturing October 1, 2027

Sinking Account Redemption Date (October 1)	Principal Amount To be Redeemed or Purchased
---	--

2026	\$6,580,000
2027 (maturity)	6,835,000
Term Bonds Maturing October 1, 2029	

Sinking Account Redemption Date <u>(October 1)</u>	Principal Amount To be Redeemed <u>or Purchased</u>
2028	\$6,585,000
2029 (maturity)	6,455,000

Term Bonds Maturing October 1, 2034

Sinking Account Redemption Date <u>(October 1)</u>	Principal Amount To be Redeemed <u>or Purchased</u>
2030	\$6,015,000
2031	6,310,000
2032	6,370,000
2033	6,665,000
2034 (maturity)	5,640,000

Term Bonds Maturing October 1, 2038

Sinking Account Redemption Date <u>(October 1)</u>	Principal Amount To be Redeemed <u>or Purchased</u>
2035	\$8,060,000
2036	8,460,000
2037	4,390,000
2038 (maturity)	4,610,000

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The

Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

In lieu of redemption of Series 2015B Bonds amounts on deposit in the Debt Service Fund (as defined in the Indenture) may be withdrawn and used at the direction of the Successor Agency at any time to purchase such Series 2015B Bonds at public or private sale at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any such 2015B Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 will be credited toward, and will reduce the par amount of, Series 2015B Bonds required to be redeemed pursuant to the Indenture on the next succeeding October 1 of such year.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Series 2015B Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in Los Angeles, California or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chair and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE SAN
MARCOS REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____

MUFG UNION BANK, N.A., *as Trustee*

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

_____, attorney,
to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.



SAN DIEGO COUNTYWIDE OVERSIGHT BOARD

Successor Agency to the San Marcos
Redevelopment Agency Tax Allocation
Refunding Bonds, Series 2025A

SAN MARCOS

DISCOVER LIFE'S POSSIBILITIES

| April 17, 2025

REFINANCING OVERVIEW



Prior Bonds

- Series 2015A Tax Allocation Refunding Bonds issued on July 14, 2015, by the Successor Agency to the San Marcos Redevelopment Agency
- Original par amount: \$84.71M; currently outstanding: \$51.345M
- Callable at par beginning October 1, 2025



Authorization

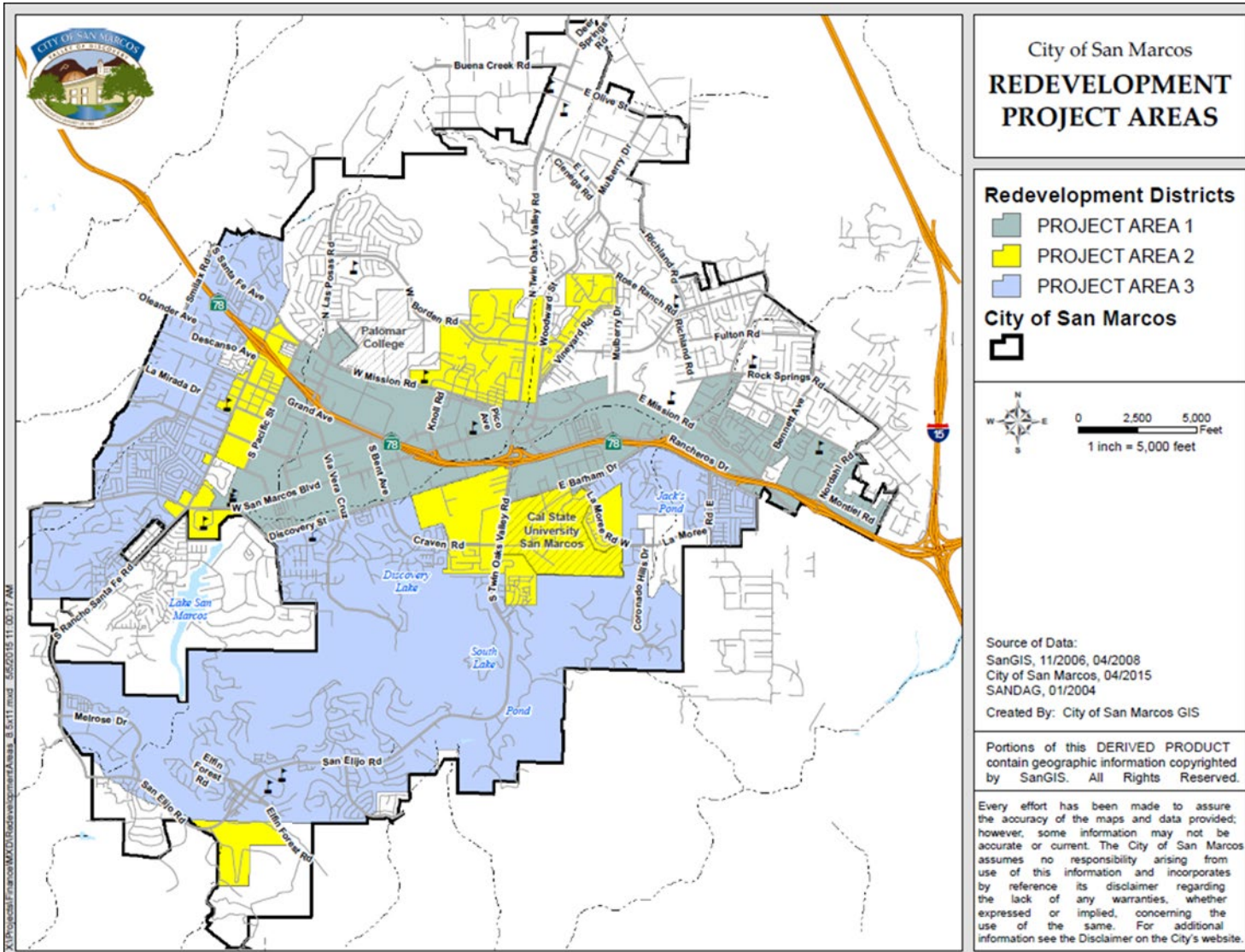
- Refunding allowed under California Health and Safety Code Section 34177.5(a)(1) for debt service savings



Refunding Bonds

- Successor Agency staff identified a chance to refinance the Prior Bonds for debt service savings through Refunding Bonds

LOCATION



- Comprised of 3 Project Areas and encompasses approximately 10,500 acres, over 65% of the total acreage of the City

ANALYSIS



Satisfies required HSC sections

- Total interest cost and principal of Refunding Bonds do not exceed those of the Prior Bonds
 - Current bond debt service of \$63.882M is estimated to decrease to \$54.689M, a reduction of \$9.19M
- \$43.735M principal amount of Refunding Bonds is within the amount required for defeasance, reserves, and issuance costs
- Refunding Bonds provide proportional annual savings and maintain the same final term of October 1, 2034, as the Prior Bonds

REFINANCING PROCESS

**SA APPROVAL
OF FINANCING
& DOCUMENTS**

March 11



Complete

**COUNTY
OVERSIGHT
BOARD
APPROVAL**

Today's
Action



**SUBMISSION
TO DOF**

April 18



**SA APPROVAL
OF DISCLOSURE
DOCUMENTS**

May 13



**SECURE
CREDIT
RATINGS**

May 22



**RECEIVE DOF
APPROVAL**

May 23
(Estimated)



**BOND
CLOSING**

July 3



RECOMMENDATION

- Adopt a Resolution of the San Diego Countywide Oversight Board approving the Successor Agency To The San Marcos Redevelopment Agency proposed refunding of its \$84,710,000 Successor Agency To San Marcos Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A
- Approve and authorize the Debt Service Savings Analysis presented to the Countywide Oversight Board be submitted to the California Department of Finance as required by Redevelopment Agency Dissolution Act





QUESTIONS OR COMMENTS

SAN MARCOS
DISCOVER LIFE'S POSSIBILITIES